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NEWS SUMMARY

GENERAL

Bugging alert in CIA report

Communist spies are able to monitor thousands of private telephone conversations in the U.S. and Western Europe and pose a serious threat to the privacy of ordinary people.

This is one of the most striking revelations in the Rockefeller Commission's report—released by the White House yesterday—on the domestic activities of the Central Intelligence Agency.

The Communist nations have more than 500,000 people working in their global intelligence services, the report states. Spies are aided by electronic devices of "extraordinary sophistication."

The report says that information about allegations that the CIA plotted to assassinate several foreign leaders, including President Castro of Cuba, has been submitted separately to President Ford. Back Page ...

Short sounds Parties on Stonehouse

Mr. Edward Short, Leader of the House, is to consult Opposition Parties in the Commons to-day to decide whether to go ahead with the debate to-morrow on a motion to expel Mr. John Stonehouse, Labour MP for Walsall North.

The meeting will review the situation in the light of a report last night from the Select Committee set up to consider the Stonehouse case. In Melbourne, Mr. Stonehouse continued his silent hunger strike in a hospital cell of the jail where he is on remand pending a further court appearance on Friday.

Amin bargains lecturer's life

President Amin of Uganda last night gave Britain a six point 10-day ultimatum, including cessation of all "malicious propaganda" against himself and his Government, if London wished to save a British lecturer from a firing squad.

Eight more freed from Maze jail

Mr. Mervyn Rees, Northern Ireland Secretary, yesterday released eight men from the Maze top security jail, the first such releases since the Provisional IRA killed a policeman in Londonderry last month. In Belfast, two gunmen shot a Protestant fruiterer dead in his shop.

U.S. move on Europe A-bombs

THE U.S. is now prepared in principal to reduce its tactical nuclear weapons stored in Europe as part of an agreement with the Soviet Union cutting Nato and the Warsaw Pact's central european forces. Page 5

'Stop shielding workers'—Joseph

Sir Keith Joseph, speaking as director of the recently formed Conservative Centre for Policy Studies, called on the Government to "stop protecting workers from the consequences of their own actions" as a priority in the fight against inflation. Back Page

Brezhnev back

Soviet Communist Party leader Leonid Brezhnev, 68, looking fit and rested, re-appeared on the Moscow political scene after more than a month's absence.

Briefly ...

Miss Betty Lockwood, chief women's officer of the Labour Party, is to chair the Equal Opportunities Commission.
Men and Matters, Page 16

Pollen count in London yesterday was 17 which is low. The forecast is higher.

Moorgate Tube disaster death roll rose to 43 yesterday with the death in hospital of Mrs. Jane Simpson, 23.

BUSINESS

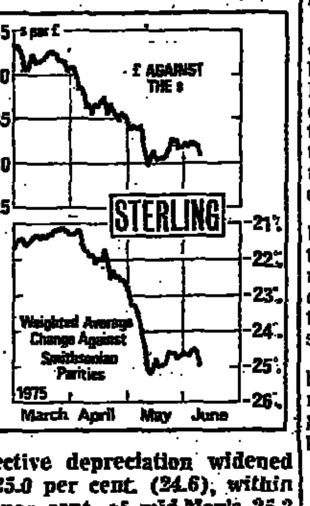
Equities setback: £ down 110 points

● EQUITIES suffered another sharp setback against the gloomy economic background. FT 30-share index closed 12.5 down at 339.8, a loss of 22.2 in two days. Gold Mines Index was up 3.3 at 374.9.

● GILTS—Shorts gained to ¼ before easing slightly, along with mediums and longs. Government Securities Index was down 0.02 at 58.33.

● GOLD was unchanged at $165¾.

● STERLING fell 110 points to $2.3070 on concern over the economic outlook, with a wave of late selling cutting the rate 40 points in under an hour.



Effective depreciation widened to 25.0 per cent. (24.6), within 0.2 per cent. of mid-May's 25.2 per cent. record. Dollar's weighted fall was 7.0 (6.96) per cent.

● WALL STREET closed off 7.98 at 822.12.

● JAPAN'S gross national product fell by 0.7 per cent. in the first quarter, the Economic Planning Agency said.
Page 8

EEC forecasts steel cuts

● EEC's revised steel programme for the coming four months is expected to put output in the Community at about 15 per cent. lower than in the same period last year.
Back Page

● MIRROR GROUP Newspapers announced £2.8m. computer typesetting development plan.
Back Page

● JAGUAR will keep its own engineering department reporting directly to Mr. Derek Whittaker, managing director, British Leyland cars.
Back Page

● NEW CAR sales last month were the lowest for any May since 1970, and foreign car manufacturers' sales fell back substantially from April's record figure.
Page 10

● LONDON COCOA prices closed £12 down at £461.5 a tonne (September position). December position lost £13 to £471.25.
Page 25

● ICI'S 4,000 workers on Teesside walked out on indefinite strike after rejecting the company's 26 per cent. pay offer to all its manual workers in Britain.
Page 14

COMPANIES

● CHLORIDE GROUP pre-tax profits were up 19 per cent. to £16.2m. (£13.6m.) for the year ended March 31. Interest charges more than doubled to £4.52m.
Page 19 and Lex

● HILL SAMUEL Group net profits before exchange surplus were 15 per cent. lower at £5.29m. (£6.23m.) for year ended March 31. The group confirmed it had recovered $16.28m. of its $19.5m. losses on last year's Herstatt Bank collapse.
Back Page, Page 19 and Lex

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES		
Chapman (Balham)	110	+ 13
Sheffield Twist	78	+ 7
Williams (W.)	25	+ 5
Blyvoor	950	+ 25
President Brand	£24¼	+ ½
Pot. Platinums	216	+ 16

FALLS		
Avon Rubber	57	− 8
Assoc. P. Cement	145	− 6
Beecham	299	− 8
Bowater	172	− 7
BATS	320	− 13
Brown (J.)	68	− 6
Chloride Group	105	− 6
Courtaulds	126	− 5
DRG	111	− 5
Distillers	136	− 6
Finlay (J.)	142	− 8
Fisons	404	− 11
Furness Withy	217	− 7
Glaxo	432	− 16
GKN	242	− 12
Guinness (A.)	109	− 5
ICI	291	− 7
Keyser Ullmann	52	− 6
Lloyds Bank	247	− 11
Magnet Joinery	139	− 14
Nat. Westminster	256	− 12
Pilkington Brothers	187	− 10
Rolls-Royce	61	− 4
Sainsbury (J.)	167	− 7
Sun Alliance	408	− 15
Thomson Org.	200	− 7
Tube Investments	276	− 20
Unilever	382	− 14
Youghal Carpets	72	− 10
Shell Transport	311	− 16
Ultramar	204	− 11
Cons. Rutile	200	− 30
Durban Deep	965	− 35
RTZ	183	− 7

Wilson risks Left-wing and union anger

Benn and Varley are switched in shuffle

BY PHILIP RAWSTORNE

THE PRIME MINISTER last night transfered Mr. Anthony Wedgwood Benn, his controversial Secretary for Industry, into a lower-ranking Cabinet seat as Secretary for Energy.

Mr. Wedgwood Benn is succeeded at the Department of Industry by Mr. Eric Varley, the present Energy Secretary, who was also one of the Cabinet's dissident anti-Marketeers but who played little active part in the referendum campaign.

Mr. Wilson, risking the anger of the Labour Left-wing and some trade union leaders, made it clear that Mr. Wedgwood Benn's move was a demotion.

The Prime Minister has asked Mr. Wedgwood Benn to concentrate his attention upon the speedy landing of oil from the North Sea so that Britain can achieve self-sufficiency by the earliest possible date.

And with a hint of tongue-in-cheek, Mr. Wilson is reported to have suggested to Mr. Wedgwood Benn that he should establish close contact with workers on the sites to overcome demarcation and other disputes affecting the delivery of North Sea oil equipment.

At the same time, Mr. Wilson let it be known loud and clear that he will direct the Government's consultations and policy decisions on the final stages of the Industry Bill and its subsequent implementation.

Nor will Mr. Wedgwood Benn be given a hand in the current negotiations with the oil companies on majority State participation. Mr. Harold Lever, Chancellor of the Duchy of Lancaster, and Mr. Edmund Dell, the Paymaster General, will continue to handle these responsibilities.

In his limited reshuffle last night, the Prime Minister also demoted Mr. Reg Prentice, the outspoken Secretary for Education, who returns to his old post as Minister of Overseas Development. Mr. Prentice will, however, remain a member of the Cabinet on a personal basis within the Foreign and Commonwealth Office.

Mr. Fred Mulley, present Minister of Transport, a pro-Marketeer and current chairman of the Labour Party, succeeds Mr. Prentice at the Education Department.

The post of Minister of Transport was offered to Mrs. Judith Hart, the former Minister for Overseas Development, who was one of the leading Left-wing anti-Marketeers in the referendum campaign. She declined the post and has resigned from the Government.

The Prime Minister also took the opportunity of filling the vacancy of Minister of State for Industry caused by the dismissal of Mr. Eric Heffer. The post goes to Mr. Gregor Mackenzie.

WEDGWOOD BENN ... a demotion

John Bourne, Lobby Editor, writes: The immediate reaction of some Left-wingers to the Prime Minister's reshuffle was more muted than expected, partly because Mr. Wedgwood Benn's post has been taken by Mr. Varley.

Mr. Eric Heffer, who was dismissed as Mr. Wedgwood Benn's Minister of State for speaking in the Commons debate on the EEC against Mr. Wilson's guidelines, said in an ITN interview last night that there would be resentment at Mr. Wedgwood Benn's move and also at the disappearance from the Government of Mrs. Judith Hart, another Left-winger.

On Mr. Varley, Mr. Heffer said cautiously that he was "very well regarded and very capable" but lacked some of Mr. Wedgwood Benn's charisma and drive.

Questioned about the reaction of the trade union movement, Mr. Heffer said that he thought there would be a lot of resentment and disappointment there at Mr. Wedgwood Benn's move because of the pressures for his removal from Industry from the CBI and employers.

On the other hand, he pointed out that Cabinets were changed frequently and at least Mr. Wedgwood Benn as the new Secretary for Energy would have a voice in the Cabinet and would be still an "industrial" Minister.

In the same programme Mr. Clive Jenkins, general secretary of ASTMS, accused the Prime Minister of getting his priorities wrong in his shuffle. Moving Mr. Wedgwood Benn at the present stage was like Mr. Attlee moving Aneurin Bevan when he was putting his Health Service legislation through Parliament.

Mr. Wedgwood Benn's failure earlier to make an expected appearance at the Commons Standing Committee on the Industry Bill did nothing to dispel the confusion caused by his statement on Monday that the Government is considering issuing a second White Paper on the Bill.

MPs on both sides of the committee saw this as a clear indication that the Government intends to make substantial changes in the legislation. They protested that to do this when the Bill had been under consideration by the Commons for three months reduced the proceedings of the committee to a "meaningless farce."

Finance Ministers still try to reach agreement

BY ROBERT MAUTHNER — PARIS, June 10.

FINANCE MINISTERS from the 20 International Monetary Fund member countries were to-night laboriously trying to work out a compromise agreement on the future role of gold and other aspects of international monetary reform, including a redistribution of national quotas in the Fund.

Early foercasts by Mr. Denis Healey, Chancellor of the Exchequer, that the Americans and the French, whose differences have all along been the main stumbling-block to agreement, were well on the way to finding a mutually acceptable solution, proved somewhat premature.

Mr. Healey, who flew back to London this afternoon after a private lunch with M. Jean-Pierre Fourcade, the French Finance Minister, saw himself in the role of mediator. The Chancellor told journalists that he had appealed directly to both Mr. William Simon, the U.S. Treasury Secretary, and M. Fourcade to settle their differences.

"International confidence is very precarious and the world recession may continue longer than expected," Mr. Healey said. "If our negotiations here break down the consequences for confidence in all countries would be very grave."

It was plain to-night, however, that no one was prepared to settle for anything less than agreement on a complete package covering three main problems:

1—What should be done with the IMF's gold holdings.

2—The role of gold in Central Bank transactions.

3—A revision of the Fund article on exchange rates and a redistribution of national quotas.

When the IMF interim committee, grouping the 20 Ministers, adjourned to-night and split up into separate meetings of industrialised and developing countries, the main protagonists (the U.S. and France) were still at loggerheads over all three issues.

Some progress, was nevertheless, made to-day towards a compromise. In spite of continuing French reservations, it seems likely that, in the end, everyone will be prepared to accept a system for the disposal of the IMF's gold on the lines of a proposal tabled by Dr. Johannes Witteveen, IMF managing director, on condition that simultaneous agreement is reached on the other issues.

Under the Witteveen plan, two-thirds of the gold currently held by the Fund would remain in its hands, while one-sixth would be returned to the original donors and an equal amount would be used to provide aid to developing countries.

A much more difficult problem to solve proved to be whether Central Banks would in future be able to buy and sell gold from and to each other at market prices on condition that their total gold stocks would not increase during a period of two years, as agreed by the Common Market countrise at Zeist, in Holland, in April, 1974.

In spite of several changes in its position since January this year, the U.S. is still opposed to such a solution and made only a small concession to-day by announcing that it was prepared to accept a formula under which Central Banks could buy gold from each other only if the

Continued on Back Page

£ in New York

—	June 10	Previous
Spot	$2.3054-3070	$2.3170-3180
1 month	0.82-0.83 dis	0.84-0.74 dis
3 months	2.65-2.68 dis	2.74-2.64 dis
12 months	11.10-11.00 dis	11.02-10.90 dis

Scanlon vote invalid, says QC

BY OUR LABOUR STAFF

MR. HUGH SCANLON'S controversial casting vote that scrapped postal balloting in the Amalgamated Union of Engineering Workers was invalid, a leading Labour lawyer claimed in the High Court yesterday.

Mr. Peter Pain, QC, claimed that under the union's rules Mr. Scanlon, AUEW president, was out of order when he threw in his casting vote against postal balloting to break a 25-25 tie at the union's rules revision meeting on May 16.

Appearing for Mr. John Weakley, who is challenging the decision and also the union's disqualification of him as a delegate to the meeting, he said: "It is my case that, quite plainly, under the rules he has not got a casting vote."

Earlier Mr. Pain maintained that a proposal to revert to branch elections for union posts had been supported "by Communists and others of a like mind."

But at the end of the first day of the hearing, Mr. Justice Walton said there was no sign of any Communist plot to reverse the election system.

"The matter is consistent, and equally inconsistent, with some form of conspiracy. But I cannot determine that on the evidence in front of me," he said.

He had heard five hours of evidence during which, he said, Mr. Pain was "intimating rather than alleging" a Left-wing conspiracy on the issue.

The judge will try to decide to-day whether Mr. Weakley, a moderate delegate from South Wales, is entitled to attend the AUEW national conference in Hastings next Monday or whether the union's offer to hold a fresh election in the South Wales division for conference delegates should be accepted.

Mr. Weakley is seeking three injunctions against the union: to stop the conference going ahead unless he is there as a delegate, to stop any recall of the rules revision meeting on the same conditions and to compel the union to keep to postal balloting, first decided on five years ago, unless a properly constituted revision meeting changes the system.

Mr. Ralph Gibson, QC, for the union executive, brought written evidence from Mr. Bill John, an executive member, which said that although he supported postal balloting he believed Mr. Scanlon had acted genuinely and in the best interests of the union when he cast his vote.

Mr. Gibson said that if the judge ruled that Mr. Weakley be accepted as a delegate the union would accept this.

Although the judge may decide to-day whether or not to grant the injunctions sought, a full court hearing of the postal balloting row is not expected for several months.

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Home News	10 & 11	TV and Radio	2	J. W. Cameron	22
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Labour News	14	Wall St. & Overseas	24		
		Weather	30		

For latest Share Index 'phone 01-246 8026

SDR link will raise oil prices

BY RICHARD JOHNS — LIBREVILLE, June 10.

THE CHANGE to the use of Special Drawing Rights as the unit of account for assessing oil prices—agreed in principle by Ministers of the Organisation of Petroleum Exporting Countries yesterday—could mean an increase in the $10.35 basic cost of a barrel of oil of anything from 24 to 50 cents according to informed calculations here.

This evening, however, as the OPEC conference on its second day began its first detailed discussions on the system to be adopted, significant differences had still to be resolved on whether the SDR value of the dollar of last October or December should be the starting point. Ministers are still not agreed on whether the new accounting formula should be implemented from the beginning of July or October.

Algeria, predictably, was taking the extreme line on both issues, wanting the base rate to be operative from last October and the assessment to take effect from next month. The middle ground consensus, however, was that the December value should be used from July 1, with Iran taking this position.

Saudi Arabia was understood to be proposing that the introduction of the new SDR system should wait until October when the parallel formula—which has not been worked out in detail yet—indexing oil prices to the rate of inflation of goods imported by the producers is implemented.

Venezuela is not unsympathetic to this more moderate view because, with its trade mostly in dollars, it is not so vitally affected and it would like the currency fluctuation problem to be solved as part of the indexation formula.

Earlier to-day, Mr. Valentin Hernandez, Venezuelan Minister of Hydrocarbons and Mines, suggested that the increase would certainly be less than 3 per cent.—implying that the more moderate course would be chosen. In OPEC circles a figure of 27 cents has been mentioned which would mean that the December dollar-SDR rate would be chosen as the base.

The value of SDRS in terms of dollars rose from $1.19240 last October to $1.21370 in December at monthly average rates, compared with the current value of about $1.25000.

In terms of Britain's balance of payments a 25 cent per barrel increase for the basic "marker crude" (Arabian light) would—assuming imports of 2m barrels per day—mean an extra import burden of about $180m, with a great deal more to come when the indexation system comes into force.

At this conference there will be no detailed discussion of just how oil prices will be adjusted and according to what formula.

OPEC's economic commission is expected to meet in August to draw up final recommendations which will be submitted to the next Ministerial conference provisionally planned for September, although it could take place sooner.

Whatever increase in the dollar price that results from linking the value of oil to SDR's it will not be represented here as a rise in petroleum costs and the freeze decided last December will theoretically hold until its expiry at the end of September.

No substantive progress is expected on the question of oil price differentials, which has recently become an important issue amid reports that producers like Libya, Iraq and Algeria have been offering crude at below the officially-stated price. In changing market conditions OPEC experts are clearly confused as to what the various premiums should be.

There is a general confidence that demand will recover as stocks are built up and some wry amusement that stocks in consuming countries were allowed to run down so far just before the new "upward adjustment" which will come from the SDR link.

Editorial Comment, Page 16

TUC meets to-day

BY JOHN ELLIOTT, LABOUR EDITOR

TUC LEADERS meet to-day to consider plans to peg wage rises below the rate of price increases against the background of a growing risk that the Amalgamated Union of Engineering Workers might next week spearhead a revolt against Labour's social contract.

Sharply rising prices and increasing unemployment are causing concern among union leaders who to-day will consider calling on the Government for guarantees of sharp action on prices—maybe going so far as a freeze—and of a boost in manufacturing industry investment.

Without such action from the Government, union leaders are worried firstly about their ability to maintain support for the social contract through the rest of the union conference season—culminating in the annual September Trades Union Congress. Secondly they fear that there will be little chance of them holding wage rises below 20 per cent. to 25 per cent. next winter.

BBC trims back overseas radio

BY ARTHUR SANDLES

BBC OVERSEAS Broadcasts are to be cut back for the second year in succession because of an economy drive. Savings of £400,000 planned for next spring reduce the number of hours broadcast and cut one service completely—in Sinhala to Sri Lanka.

Last year the corporation was told to save £740,000 in programming in the current period. The present cut will mean that £300,000 will be saved in direct costs and a further £100,000 in capital expenditure.

From early next year, the Arabic service will be reduced from ten hours to nine hours daily; the German service will go down from 4.5 hours to 3.5 hours; and the French service for Europe down from four hours to 2.75 hours. The Government finances the BBC external services through Treasury grants that total £23.7m. in the current financial year.

There is little doubt that the cuts will provide further ammunition for those, including the BBC, who are campaigning before the Annan Committee on the Future of Broadcasting against the introduction of a grant system for the whole of BBC broadcasting to replace the present licence system.

Under the cuts, services in Bulgaria and Romania will also be reduced, as will those on the Chinese and Thai services. A variety of recordings normally made for the Indian sub-continent in local languages will not be made in future.

At present the BBC external services are on the air to Europe and beyond in English and 39 other languages for 727 hours each week. Proposed economies will lower this figure to 697 hours. Other reductions in administrations and engineering are proposed and these, plus the programme shedding, will mean the loss of between 40 and 50 jobs. The BBC is looking to "natural wastage" to absorb much of this loss.

Athletics boost for ITV sport

INDEPENDENT TELEVISION has bought the U.K. rights to six athletic events at a cost understood to be more than £40,000, it was disclosed yesterday.

Five of the events, which will be recorded, are the International Track Association meeting at Crystal Palace, on June 20; Philips Golden International meeting, Crystal Palace, July 4; USSR v. U.S. at Kiev, July 4; U.S. v. West Germany v. Africa, from Durham, North Carolina, July 18 and 19; and the pan-American games from Mexico, in October.

In addition there will be live coverage of the English women's AAA championships at Crystal Palace, on July 19.

GLC car tax plan could spread, RAC warns

FINANCIAL TIMES REPORTER

MOTORISTS were warned to-day that if the Greater London Council succeeds with its plans to levy a daily tax on cars entering the city centre, other authorities are likely to ban or tax motoring in their centres.

The worry was voiced by the new chairman of the RAC, Sir Clive Bossom, at the launch of a campaign urging drivers to help "stop the GLC car bans."

The GLC is proposing a payment of at least £1.25 a day for vehicles entering central London and half this fee for residents, the RAC says. It also plans to remove 8,000 parking meters, eliminate 30,000 off-street parking places and introduce huge parking charge increases.

Thousands of leaflets will be issued with the message: "Car bans won't work; public transport can't cope."

The RAC asks motorists to send the protest leaflets to the council's headquarters before July 8 when the GLC transport committee will decide on the plans.

Mr. James Daly, chairman of the GLC transport committee, described the RAC campaign as "a ludicrous misrepresentation of the facts."

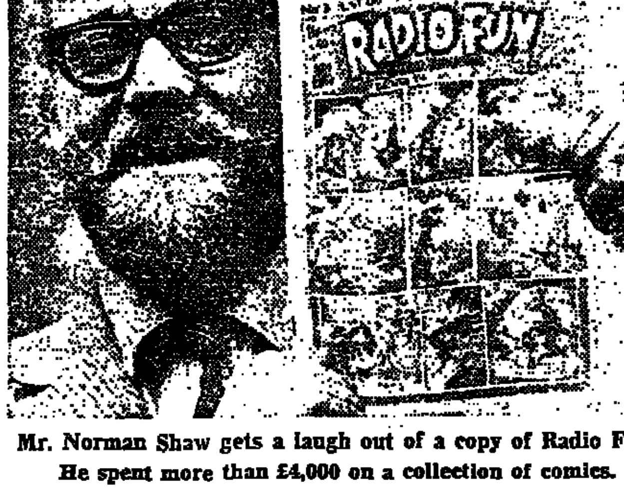
He said: "The RAC displays a tendency to rush in with destructive criticism at the beginning of every experiment, sometimes within hours, when in fact these are shown to be effective in practice. It is a calculated misrepresentation to say that the GLC proposes a payment of £1.25 for vehicles entering central London.

"This proposal is contained in a consultation document on which the RAC, among other organisations, is invited to comment.

"The GLC was elected in 1973 upon a policy of traffic restraint, but the RAC is still fighting for a policy of unrestricted facilities for the motorist, which people now overwhelmingly accept spoil the environment for pedestrians and impede the progress of buses."

SALEROOM — BY ANTONY THORNCROFT

Comics now a serious matter



Mr. Norman Shaw gets a laugh out of a copy of Radio Fun. He spent more than £4,000 on a collection of comics.

COLLECTING OLD comics finally became respectable yesterday when Sotheby's included 20,000 comics in its sale of children's books, drawings, and juvenilia, and saw them fetch £5,614. The comics were put up for sale by Raymond Radford whose father and uncle were cartoonists for Amalgamated Newspapers between the wars, and drew cartoons for *Chicks Own*, *Comic Cuts*, *Comic Life*, *Butterfly* and many more.

In addition 282 early editions of the *Mickey Mouse* Weekly were sold for £500 to a private collector, Mr. Hubert Jobson, of Felixstowe. Most of the lots from the Radford collection were bought by Mr. Norman Shaw, a dealer from South London, who paid out more than £4,000, including £450 for 851 copies of *The Butterfly*, stretching from 1906-1939, and the same price for 597 numbers of the *Film Fun* from 1920-1942. The prices were just about on target, and the sale is likely to draw out many more old comics, although it is unlikely that such complete collections will be forthcoming.

Sotheby's was more impressed with the afternoon session which contributed £18,000 to a four-day sale which totalled over £55,000. Among the exceptional prices were the £1,100 paid for 22 tiny watercolours by Kate Greenaway depicting children in the country and designed between 1870-75, possibly for greetings cards, and the £1,050 for a pair of Kate Greenaway watercolour drawings.

Two watercolours by Beatrix Potter, probably the initial representations of Peter Rabbit in 1893, went for £1,000, and another large watercolour by Beatrix Potter sold for £900. A E. H. Shepherd pen and ink drawing of Christopher Robin, Pooh, and Piglet, which became the frontispiece for *The House at Pooh Corner*, was bought for £700, and lower down the price list, but of considerable interest, was the £90 paid for a first, 1937, edition of Tolkien's *The Hobbit*.

For grown ups, Christie's sold paper weights for £15,890, with the good weights doing well and the less good badly. The top price was the £1,155 paid by Spink for a Baccarat bouquet weight 3 inches in diameter. At Sotheby's Belgravia Victorian paintings, drawings and watercolours realised £19,009. The highest price was the £460 paid for a portrait of a small girl by Arthur A. Dixon. *Undine*, by the same artist, fetched £420.

The popularity of Dutch marquetry furniture, which invariably goes to Spain or Italy, was reinforced at Phillips yesterday when furniture was sold for £30,682. An 18th-century cylinder-front bureau bookcase beat its estimate at £3,000, while an early George III mahogany bureau bookcase fetched £1,400.

The Grosvenor House Antiques Fair, which opens to-morrow, is for the first time accepting items that are not perhaps officially genuine antiques—that is objects made before 1830. Victoriana, art nouveau and art deco will be on display—but in a separate room from the main exhibition.

RACING — BY DOMINIC WIGAN

Ramadan for Lord Carnarvon

LORD CARNARVON, whose home, Highclere Castle, lies only a few miles from Newbury, can land the principal race on his local course to-day with his home-bred *Ramadan*.

The chesnut colt by Amber Rama out of Lord Carnarvon's smart half-sister to Gift Card, Gift Token—already responsible for four winners, including Rivoli—made a highly encouraging debut when failing by only a neck and a short head to hold Chilli Willi and Grecian Cloud at Chepstow towards the end of April.

Ten days later he made no mistakes in Salisbury's 19-runner Warminster Maiden Stakes, in which he defeated Maynooth, to whom he was conceding 5 lb. by half a length, with Thieving Demon, 1½ lengths away in third place.

NEWBURY

2.00—Light Link
2.30—Rustingo
3.00—Piercing Note
3.30—Ramadan*
4.00—Rosetti
4.30—Tree Paeony

YARMOUTH

2.15—Celtic Sea
3.15—Little Battalys
4.45—Botanist
5.15—Ballytartar***

BEVERLEY

7.00—Minigold
7.55—Tanella**
8.20—La Carrageen
8.50—Sera Sera

I expect Ramadan to win the Berkshire Stakes (3.30) by outpacing Mr. Ravi Tikkoo's newcomer Hittite Glory.

Even if Newmarket trainer Mr. Gavin Pritchard-Gordon fails to collect the Netheravon Handicap (4.00) through Great Birnam, he should have at least one winner this afternoon, for he sends several promising looking chances to Yarmouth.

In the first race there, the Fee Farm Plate (2.15), he saddles Mrs. Jim Mullion's well thought of newcomer Celtic Sea, whom I expect to see obliging from another reportedly useful unraced juvenile, Tsarevitch.

Later in the afternoon he holds reasonable prospects with Botanist in the Town Wall Stakes (4.45) and Regal Rocket, who goes for the Blackfriars Plate (5.15).

A better prospect than Regal Rocket to my mind, however, is Ballytartar, a progressive Bally moss colt ridden by Edward Hide for Michael Stoute.

GARDENS TO-DAY

Flowery bonus from visit to the polling station

BY ROBIN LANE FOX

ONE OF THE many attractions of a referendum seems to me to be the unexpected benefits which occur on the way through.

Of course it proves that "ordinary" people, in that supremely patronising phrase of the social scientists, can produce as responsible a decision as their representatives on a matter in which there is no absolute knowledge anyway; no doubt it will also prove that those same people mind more, and commit themselves more, to a decision which they have had to weigh on their own behalf.

Welcome

As a first sign that our political culture may be allowed to revive, now that "ordinary" people have had a chance, it is extremely welcome. If you wonder what it has to offer to a gardener, I will cite my own experience and hope that you will respect it, ordinary or otherwise.

On a west-facing wall I was thinking earlier in the year that I had contrived an attractive group of plants. There was a white-flowered Fuchsia Magellanica, which I do recommend to those who are more familiar with the red and purple variety: there was the beautiful Clematis Maria Boisselot, with those enormous white flowers: there was also my favourite climbing rose, New Dawn excepted, a German variety which is sold here as Ash Wednesday.

This only flowers once but is such an unusual shade of grey-lilac that I will wait quite happily for its brief two-week season. All very restrained, you might think and so it would have been if each plant had not run into difficulties.

Ash Wednesday was struck by mildew, and I must confess that this often happens; the Clematis distinguished itself by dying back like an uprooted ivy, probably because of the infamous clematis wilt, against which you are strongly advised to take the advice of Fisks nursery, Westleton, Saxmundham, Suffolk.

A reader drew this to my notice, and there is much sense in their suggestions of a spring and autumn spraying with the new fungicide Benlate, heavy watering in early summer and a separation of the clematis's stems at ground level, layering two or three beside the main one so that your plant remains bushy even if the main stem dies back.

They stress the importance of watering, so much so that they wonder if those of you who live near a river are ever troubled by wilt. My nearest river is six miles away and their catalogue arrived too late to save Marie Boisselot.

At the same time, a late frost cut back the Fuchsia, doing a job which the earlier mildness had persuaded me to postpone. Having grown too freely from top growth which would normally have been removed in March, it has had the worst of a bad season, like many others.

Setting out to vote, therefore, I needed a new and vigorous wall shrub, preferably of a stronger colour than the mildewed rose and the wilting white Clematis; maybe they would recover, but diseases have a way of recurring and I am too short of gardening hours to fit frequent spraying into my schedule.

The answer

A brief visit to the polling station, a building I would not otherwise see, and the answer was staring me in the face. Up and over its neighbouring brick wall grew the finest Ceanothus, so abundantly in flower on a plant which the attendants believed to be only four years old that I wondered why I had not given more space to this beautiful wall shrub before. Beside it grew a yellow Rose Canary Bird and a large group of dark blue Anchusas: quick, easy and very bright, they put my west wall plants at home to shame.

The one confusion over the Ceanothus is its hardiness. Different authorities hold different opinions, but I have never doubted that the charming pink Marie Simon and the pale blue Topaz are too tender for most gardens unless they can be protected unusually well.

The hardiest variety is named in turn by respectable sources as Autumnal Blue, certainly very useful for its long season of china-blue flower from July to October. Veitchianus (also known as Brilliant or Floribundus), probably the shrub at my polling station, or Impre[ssus], a smaller and tougher plant.

As hardiness knows no firm rules, you are advised to take your pick, though I have had trouble in saving a Veitchianus. There is no doubt that most gardeners will enjoy these shrubs more if they are set against a warm wall and given room to spread forwards as well as upwards.

Remember that in winter, the heat lost through walls and windows is very welcome to plants outside. Remember too, that a Ceanothus is best planted in May and watered well during its first summer in order to avoid the winter's frost.

Now, the great advantage of a Ceanothus, as also of Rose Canary Bird and blue Anchusa, is the speed with which it will grow. Among evergreen shrubs this virtue is not common outdoors in Britain. It will also root easily from late summer cuttings, a sound measure against losses from a cold winter.

On the Pacific Coast of America, Ceanothus grow wild in thick clumps, a sight worth seeing: blue and yellow being a very happy combination, a match with the Chinese Rose Canary Bird, a very clear single-flowered yellow, seems to me to be about as handsome a way as any of placing one in your garden. Canary Bird has unusually delicate rose-leaves and can be trained as an upright standard, leaving space for the brilliant blue Anchusas at its roots.

Fast grower

About the quick growth of the Anchusa I need only say that of all hardy perennials it is the fastest to make a freely-flowering clump and is a wise solution to those temporary gaps between properly spaced shrubs in a new shrub border. Often it will exhaust itself after three years, but it is easily replaced from seed or root-cuttings.

Surrounded by true blues, the Anchusa outshines even a Ceanothus. I left the poll, aware that there were brighter and quicker plants than my combination of whites and greys. If the next referendum can wait until November, I may even find a new idea for brightening up the flower-beds in that darkest of all seasons.

TV Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 11.20 Cricket: The Prudential Cup, England v. New Zealand, and Pakistan v. West Indies. 11.40 For Schools, Colleges. 12.00 Cricket: The Prudential Cup. 1.30 p.m. Fingerbobs. 1.45 News. 2.02 For Schools, Colleges. 2.40 Cricket: The Prudential Cup. †3.58 Regional News (except London). 4.00 Play School. 4.25 Wacky Races. 4.35 Jackanory. 4.50 Z-Shed. 5.15 Yao, African Prince. 5.40 Roobarb.

5.45 News.
†6.00 Nationwide.
†6.55 The Wednesday Film: "Where's That Fire?" starring Will Hay with Moore Marriott, Graham Moffatt.
8.10 Survivors.
9.00 News.
9.25 The Melting Pot.
9.55 Sportsnight.
10.55 Midweek.
†11.28 Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.35 p.m. Maldwynaldwyn. 5.35-5.40 Magic Roundabout. 6.00-6.55 Wales To-day. 6.55-7.10 Heddiw. 7.10-7.40 'R Oeddwn i Yno. 7.40-8.10 Whatever Happened to the Likely Lads? †11.28 News of Wales.

Scotland—6.00-6.55 p.m. Reporting Scotland. †11.28 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.55 Scene Around Six. †11.28 Northern Ireland News Headlines.

England—6.00-6.55 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

†6.40 a.m. Open University.
10.35 Nai Zindagi Naya Jeevan.
11.00 Play School.
11.25 Cricket: The Prudential Cup—England v. New Zealand, and Pakistan v. West Indies.
1.40-2.40 p.m. Further coverage and 4.00 closing stages of to-day's play in Prudential Cup matches.
7.05 Worlds Without Sun.
7.30 Newsday.
†7.45 Rugby Special: Wellington v. Scotland.
8.10 The Ascent of Man.
9.00 Wessex Tales.
9.50 Inside Story.
10.35 Don't Quote Me.
11.05 News Extra.
11.25 Closedown: Leslie Sands reads "Beauty in Trouble" by Robert Graves.

LONDON

9.30 a.m. Schools Programmes. 12.00 Pipkins. 12.15 p.m. The Adventures of Rupert Bear. 12.30 Mr. and Mrs. 1.00 First Report. 1.20 Lunch-time To-day. 1.30 Gold Is Where You Find It. 2.00 Good Afternoon. 2.30 The Rhine. 3.20 The Saint. 4.15 Cartoon. 4.25 Baldmoney, Sneezewort, Dodder and Cloudberry. 4.50 You Must Be Joking! 5.20 The Brady Bunch.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Don't Ask Me.
7.30 Coronation Street.
8.00 . . . And Mother Makes Five.
8.30 Marcus Welby, MD.
9.30 The World of Television.
10.00 News.
10.30 Special Branch.
11.30 Wrestling.
12.10 a.m. The Inward Eye.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 1.30 Showcase. 2.00 Houseparty. 2.30 Boney. 3.30 The Richest Sea in the World. 5.20 Lassie. 6.00 About Anglia. 8.30 The Zoo Gang. 10.30 Wrestling. 11.15 Your Music at Night.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 1.30 Show It Again. 2.30 Double Diamond Snooker Championship. 5.20 ATV Today, including Junior Police Five. 6.00 ATV Today. 8.30 Kung Fu. 10.30 Wrestling. 11.15 Morris Stuart.

BORDER

12.30 p.m. Bridget Loves Bernie. †1.25 Border News. 1.30 The Summer We Moved to Elm Street. 2.00 Houseparty. 2.30 Snooker: The Double Diamond Snooker Team Event. 5.20 Circus. 6.00 Border News and Lookaround. 7.00 Crossroads. 8.30 Main Chance. 10.30 Sam in the midst of Plenty. †11.30 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 1.30 Show It Again. 2.30 Documentary. 3.20 Half, Half Three Quarters Full. 3.50 The Saint. 5.20 Elephant Boy. 6.00 Channel News. 6.10 Link Up. 8.30 The Stanley Baxter Moving Picture Show. 10.30 Wrestling. 11.10 News and Weather in French followed by Epilogue.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 1.30 Show It Again. 2.00 Houseparty. 2.30 Double Diamond Snooker Team Championships of Great Britain. 5.20 Dusty's Trail. 6.00 Grampian News. 6.15 The Wednesday File. 8.30 Kung Fu. 9.25 Police Newsroom. 10.30 Wrestling. 11.15 About Britain. 11.45 Evening Prayers.

GRANADA

1.20 p.m. The Galloping Gourmet. 1.50 This is Your Right. 4.15 Cartoon. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Firehouse. 8.30 The Streets of San Francisco. 10.30 The Enthronement of the Bishop of Liverpool. 11.00 McCloud.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 1.30 Hook, Line and Sinker. 2.00 Houseparty. 2.30 Talking About Opera with Sir Geraint Evans, Delme Bryn Jones, Forbes Robinson, Rowland Richard Armstrong and Humphrey Burton. 3.20 Cartoontime. 3.30 Riptide. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Cuckoo in the Nest. 8.30 Police Story. 10.30 Wrestling. 11.15 Police Surgeon.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 p.m. Road and Weather Report. 1.30 The Protectors. 2.00 Housecall. 2.30 Double Diamond Snooker Championships of Great Britain. 5.25 Crossroads. 6.00 Scotland To-day. 7.00 Crossroads. 8.00 Ways and Means—inflation special. 8.30 The Collaborators. 10.30 A Place in Europe. 11.00 Late Call. 11.05 The Main Chance. 12.05 a.m. The Collaborators.

SOUTHERN

1.20 p.m. Southern News. 1.30 Parisienne in Paris. 2.00 Houseparty. 3.20 The Persuaders! 4.15 Cartoon Time. 5.20 Dodo. 5.25 Crossroads. 6.00 Day By Day. 8.30 The World of Television. 9.00 Hawaii Five-O. 10.30 "The Neon Ceiling," starring Gig Young. 12.10 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.30 p.m. The Galloping Gourmet. 2.00 Women Only. 3.20 Randall and Hopkirk (Deceased). 4.15 Cartoon Time. 5.20 The Woody Woodpecker Show. 6.00 Today At Six. 8.30 Hawaii Five-O. 10.30 Boney. 11.30 Late News Extra. 11.35 Understanding.

ULSTER

1.20 p.m. Ulster News Headlines. 1.30 About Britain. 2.30 Snooker. 4.23 Ulster News Headlines. 5.20 Survival. 6.00 Summer Reports. 8.30 The Streets of San Francisco. 10.30 Wrestling.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 1.30 Show It Again. 5.20 Elephant Boy. 6.00 Westward Diary. 8.30 The Stanley Baxter Moving Picture Show. 10.30 Wrestling. 11.10 Westward Late News. 11.13 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 1.30 Bygones. 3.20 Randall and Hopkirk (Deceased). 4.15 Cartoon Time. 5.20 Out of Town. 6.00 Calendar. 8.30 Hawaii Five-O. 10.30 The Odd Couple. 11.00 Wrestling. 11.45 Look Ahead.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett including at 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 Anne Nightingale reviews the latest sounds around. 7.00-12.33 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jean Challis (S). 1.50 Sports Desk. 1.55 Good Listening (VHF). 2.02 p.m. David Hamilton (S) as Radio 1, but including on 1,500 only (also 202m Scotland) 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including at 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Lucky 13! 7.30 Sports Desk. 7.32 Ring-A-Song (S). 8.02 Country Club (S). 10.02 Sports Desk. 10.05 Eugene Fraser (S) with Music Through Midnight and 12.00 News. 12.31 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Your Midweek Choice (S). 8.00 News. 8.05 Your Midweek Choice part 2 (S). 9.00 News. 9.05 This Week's Composer: Michael Haydn (S). 9.45 Music for Organ (S). 10.40 Mozart chamber music (S). 11.45 Schumann: Piano Concerto in A minor. Symphony No. 2, in C major (S). 1.00 p.m. News. 1.05 Concert Hall (S). 2.00 New Records (S). 3.00 Bach and Paganini violin recital. 3.35 In Repertory (S). 5.00 Choral Evensong. †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Study on 3. 7.30 Bruckner and Brian (S). 8.00 The Arts Worldwide. 9.00 French Harpsichord Music (S). 9.35 The Two Kiplings. 10.05 Tchaikovsky (S). 10.40 Tenor Extraordinary: Hugues Cuenod (S). 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m., 5.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45-7.50 Thought for the Day. 7.55 Weather, programme news. 8.00 News and more of Today. 8.30 Yesterday in Parliament. 9.00 News. †9.05 The Living World. †9.35 Frank Muir Goes Into . . . Pride. †10.00 News. †10.05 In Britain Now. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Round Britain Quiz. †11.30 Thirty-minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Brain of Britain 1975. †12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Avoncraft. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Twenty Questions. 6.45 The Archers. 7.00 News Desk. 7.30 It's Your Line. 8.30 Lifelines in Medicine. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World To-night. 11.15 Today in Parliament. 11.45 News.

For Schools: VHF only—9.25 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.30 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.03 Call In—2. 2.03 206 Showcase. 3.03 Young in Mind. 4.03 Sound Out. 4.32 Home Run, including London News Desk at 5.00, 6.00. 7.00 In Town. 8.00 Rail. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

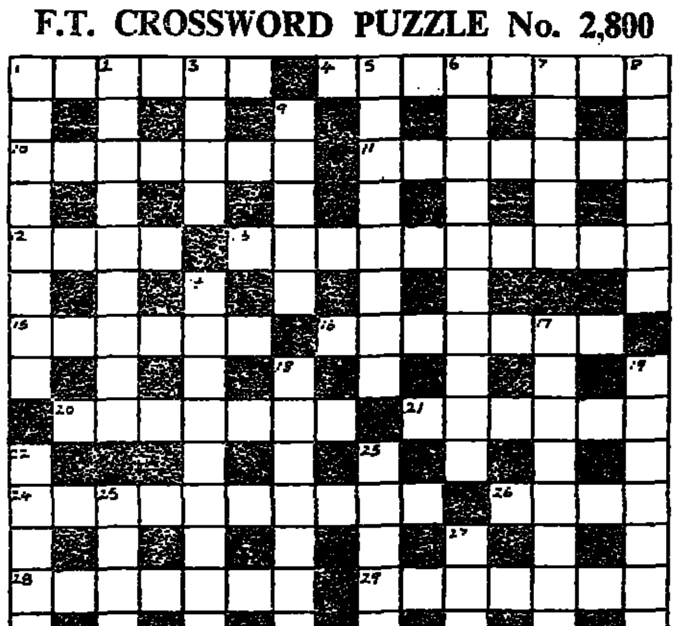
London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "AM": London's breakfast-time news show, with interviews, traffic and travel service, plus sport, with Douglas Cameron and Clive Roslin. 9.30 Parliament from the Inside—LBC's morning report on the House of Commons at work. 10.30 Open Line—London talks to George Gale. 12.00 Newswatch plus live reports from the House of Commons. 6.00 p.m. Newsbreak. 7.30 Music in Stereo, devised by Andrew Carnegie. 9.00 Love in London presented by Adrian Love. 1.30-6.00 a.m. Nightwatch—News every half-hour.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. Kenny Everett with 2½ hours of music and madness. 9.00 Michael Aspel with music. Features, Advice and Swopshop. 12.00 Cash on Delivery with Dave Cash and Music. 3.00 p.m. Roger Scott with Music. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne's rock show. 11.00 Tony Myatt's late night on Capital. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,800



ACROSS

1 Fiddle Western point of view (6)
4 Not barefoot in Sussex (8)
10 An item, though it might be indefinite (7)
11 A typical shepherd (7)
12 The doctor comes round in the morning with an umbrella (4)
13 London borough shows the value of the rod (10)
15 Due set of musical compositions (6)
16 Put signature to a couple of points at the witch's place (7)
20 On your feet to break a date (5, 2)
21 "For the glory of the Creator, and the relief of man's ——" (Bacon) (6)
24 Crushed vagrant showed the way (8, 2)
26 One of the little people found in the Cape river (4)
28 Lord Ellen's victorious confession (7)
29 Union before time means captivity (7)
30 Unruffled, but it is no good in a solicitor (3, 5)
31 Lieutenant includes a pious wish for the mourning (6)

DOWN

1 He quarrels, but is high in the Honours (8)
2 Catch a horse for the real total (3, 6)
3 Speed to beat (4)
5 "The shot of ——, the dart of chance" (Othello) (8)
6 Dissolute prison-officer is mentally deficient (5, 5)
7 Drink offered with hesitation to the Flying Squad (5)
8 Don Quixote's companion (6)
9 Courage encountered with nearly everyone (5)
14 Ugly copper delivers the message (5, 5)
17 Deadlock resulting from tea that is not fresh (9)
18 Lake fed by river in delightful surroundings (8)
19 Despatched coin inside the grounds (8)
22 Intervene for an article of clothing (4, 2)
23 Something underhand can get by in the House (5)
25 Where they race from the coast (5)
27 Great when she came to tea (4)

Solution to Puzzle No. 2,799

M	I	L	L	R	A	C	E		C	O	M	B	A	T
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Television

Nothing but the truth

by ANTHONY CURTIS

In the past few weeks I've watched a woman giving birth to a baby and later putting it through its earliest paces (in a *Horizon* programme about infant perception). I've seen the prolonged and painful death-agony of a manufacturing company before it went into liquidation. I have observed American oil-men letting down their hair about their tax problems and American television executives beating their breasts and cursing the tyranny of prime time (the maximum viewing hour of nine at night on the successful wooing of which absence of coronary depends). I have listened to human beings who skyjack aircraft and turn passengers and their children into hostages calmly expounding their "philosophy" in the freedom of a studio. I have seen the members of a gay club in Newport Pagnell, men and women, being questioned by Jimmy Saville, on the problems of "coming out," that is making no secret of their homosexuality in public. And I have seen Sir *Cecil Beaton looking back upon* his first country retreat in Wiltshire and recalling the joys of life there before the war. "It was a place in which people, the most unlikely people, kept falling in love."

Why bother with drama on the box, with artificial situations, imagined confrontations, invented revelations, when those of reality are so poignant? Why try to create characters with the aid of actors when real people are so extraordinary? Television drama departments must look with envy at the gigantic sprawling fish netted so easily and so regularly by their colleagues in the documentary division. No wonder that tv drama is continually harking back to the carnival of history, or forward into a brave new future, or merely resting content with comedy series which pander to a few stock responses and raise a few chuckles magnified by those claques of the box, the studio audience.

By comparison with their British counterparts, the fate of drama producers in the United States is far worse, thanks to *even greater pressure of the* ratings; the consequent refusal of the companies to sanction the kind of experimentation from which fresh ground might be *won. Such was the message to* emerge painfully loud and clear from the first programme in the new ATV series *The World of Television, The Beautiful Business*, devoted to America. "TV is what the B-movie used to be," *declared* a *New York Times* writer, and Theodore H. White putting it even more laconically said it was "merchandising *schluck*." And, bitterly contrast*ing their role with that of the* news departments "peopled by pietistic men," the script specialists spoke of the interminable process of approval and counter-approval before the simplest new idea is permitted to *make its way onto the screen.*

Sir Cecil Beaton

The example adduced was *All in the Family* (currently to be seen on BBC-2) with its neighbourly racial theme, its comedic forays into potentially dangerous areas like birth-control and impotence. In fact this was not even a new idea because the formula had already been pioneered on our own television in *Till Death Do Us Part*, the acknowledged model for the American show. Some critics have complained that apart from one clip from this show, and an amusing snatch of Ironside dubbed into Chinese, we were not given any examples of the American product. But the faces *of those men told all one needed* to know, in the wrinkles of the brow, the striations on the skin, one could read the sorry eloquent tale of a thousand abortive story conferences, the *frustrations* of the lonely pilot never to be taken into the harbour of a public screening. To-night it is the turn of Japanese television to be introduced to us and we are *threatened with heights* of permissiveness unparalleled in the west.

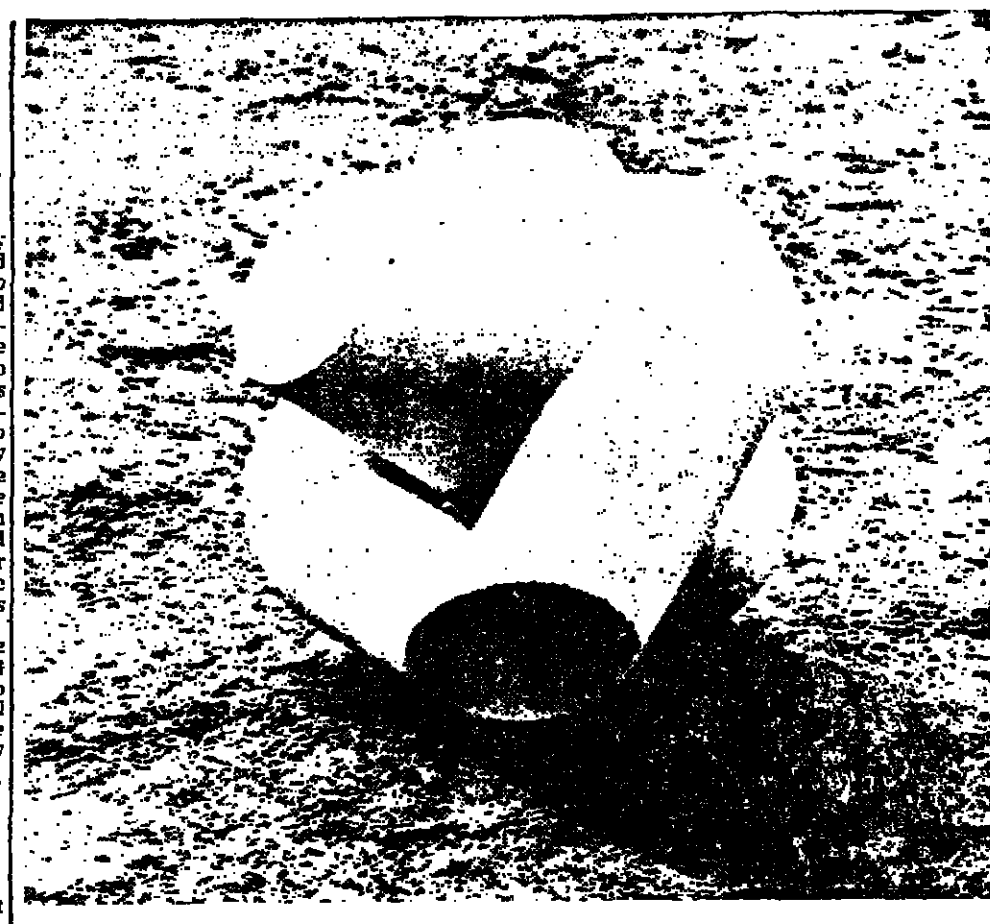
Students of the smoke-filled boardroom, connoisseurs of the conference in the midst of crisis, could hardly have demanded a more heart-rending three quarters of an hour than that provided by *The Company* on *Inside Story* (BBC-2). *This programme* chronicled the last few weeks in the life of the Murra Organisation of Dublin, a contract supplier of packaging and manufacturer of deodorants; it had a turnover of £300,000 last year with projections of double for this, but when the credit squeeze came it found itself under-capitalised. We saw how the board struggled desperately to keep it alive pulling out every stop, an appeal to the Irish Government for a loan, another to Guinness, approaches to enigmatic *financial* advisers of unnamed companies in London. I cannot think why the Murra people should have wanted every turn of the screw to be embalmed on film but apparently they did. Cameras and sound *recordists were admitted into* the most secret conclaves and the result was unbearably absorbing. In the penultimate throes a move was started to *save the company by ousting its* chairman and the television technicians had to be sworn to secrecy themselves. Equally ignorant of their fate were the *mainly female* members of the work-force merrily coping with the conveyor-belts to the sound of Muzak until the end. After the crash we saw one of the *directors flogging the surplus* stock in a street market.

It was a relief to turn to *The Wildcatters*, those independent oil-drilers who do not belong to any *of the giant multi-national* oil companies. They too have serious problems, of cash-flow and diminishing oil-flow, but *they retain a refreshingly* extrovert ebullience and wit. They are responsible of finding 80 per cent. of America's new oil and producing 30 per cent. of the total output. As the *programme* showed fascinatingly, oil gushes in the most unlikely places from Texas to Oklahoma and ceases to gush with equal suddenness. The wildcatters have a running battle with senators who wish to put an end to the tax concessions that have made this such a profitable way of life for a handful of tough individuals: we were *left in no doubt about who will* win.

Thursday's *Man Alive* programme politely called *The Palestinian Guerrillas* was part one of two programmes on Terrorism and I will leave it to my returning colleague to deal with them both if he wishes. I can only record the shame I felt in watching people of this kind offered the dignity of a television interview. For the most part the programme was a recapitulation of all the most appalling acts of terrorism that have been perpetrated in recent years putting them in a context of the problem of the Palestinian refugee camps with comments on the psychology of terrorism *by Prof. Frederick Hacker* and arguments by spokesmen for the Arabs and the Israelis. In its lengthy interviews with Leila Khaled and Bassam Abu Sharif, architect of the machine-gun attack on Lod airport, the programme was at pains to remain impeccably impartial. But there are times when impartiality appears to lend credence and respectability to what it is appraising and this, whatever the intention, was one of those occasions.

Thus on a burst of indignation ends my three weeks as a locum in this busy surgery. I fear I have only dealt with a mere handful of the more urgent cases. Many of the habitual ones, *The Likely Lads*, *Sam*, *A Man About The House*, to name but a few, are I suspect happily incurable, and I refrain from writing out any prescription.

The Entertainment Guide is on Page 11



John Maine: Untitled stone structure

Hayward Gallery

The Condition of Sculpture

by WILLIAM PACKER

The Arts Council's latest survey exhibition, a look at contemporary sculpture, is, in the event, both disappointing and disquieting. The choice of the work, or rather of the artists to be invited to show, was entrusted to William Tucker, a distinguished practitioner himself, and with a healthy reputa*tion for his critical writings on* the subject. The field open to him was international, and his decision was awaited anxiously by his confrères, at least at *home. The show itself*, somewhat portentously entitled *The Condition of Sculpture*, turns out to be, not a diagnosis, but a definition.

"Sculpture," he says, "is subject to gravity and revealed by light. Here is the primary condition." Of course it is, but the narrow confidence with which he interprets these truisms is the show's chiefest flaw. We too are subject to gravity, and revealed by light, and our entire lives in this world celebrate these limitations, implicit even in our attempts to escape them. We can hardly fly by ignoring gravity.

Sculpture exists in the real world, substantial and three-dimensional; and to attempt to define it more closely is to retreat into academicism. Tucker remains loyal to the school of which he is such a conspicuous *ornament, the school of Caro* and St. Martin's that established itself as a world-wide influence some 12 years ago.

The disposition of given or contrived elements, in accordance with their physical nature, to serve an expressive or intellectual point, is perfectly reasonable an activity to engage the artist; but once the excitement caused by challenging earlier conventions has died away, special avant-garde pleading is no longer enough to justify *everything thrown up by it*. The work must be particular in the extreme if it is to move beyond mere taste.

Tucker himself says that "as with any living language, new thought finds form by stretching the medium itself, not by learning an alien language, or by attempting to invent a wholly new one." But, instead of looking to see how far the medium has been stretched in recent years, especially by artists working directly within the landscape, and with natural materials, all part of the real world, he has chosen to rest upon those conventions he helped to devise, and now argues so plausibly.

The demonstration unfortunately, is less happy, and too much of the work for comfort, whether native or foreign, is nothing more than what Desperate Dan might do instead of *flower arrangement*, with RSJ's in place of daffodils. And the size of so many of the things seems only a function of the artists' self-importance.

It would be *unfair*, with so much that is mediocre, to single any artist out for special condemnation; the choice would be arbitrary, and there is no space for chapter and verse. And any mixed show, that purports to be more than a lucky-dip, must stand or fall by its premise. In this case criticism must centre upon Tucker's *attitudes*, which condition the show.

However, there are good things too, and, curiously, they stand as the nicest comment upon the *show, for, again and again*, they are the pieces least comfortable within his law. Characteristically they are small, modest or tentative, their material light and *practical*. Nigel Hall's attenuated relief flicking elegantly along and away from the wall, Paul Neagu's strange match-box trophy, Garth Evans' mesh of twisted strips of plywood, and the pieces by John Maine, Larry Bell and Ulrich Ruckriem, all are more ambiguous, stranger and richer in suggestion than Tucker might wish.

Bell's lovely glass structure, so deceptively simple, escapes its physicality and confuses the *space* and the viewer's experience rather than confirm these things; and Ruckriem's implacable granite slabs are so obvious and so simple that they grow increasingly mysterious and enigmatic.

So we see Tucker bringing himself almost to the point where he might free himself of his own dogma, but not quite. But he is no trimmer: he states his beliefs and tries to stick to them. His personal accountability is a positive strength.

Sadler's Wells Theatre

Nederlands Dans Theater

by CLEMENT CRISP

It seems a long, long time since I visited Southend to see Nederlands Dans Theater on their first tentative trip to Britain. Since then we have come to know and love the company, and to respect it as one of the most productive and influential in Europe. Now, for a fifth visit to London, NDT is ensconced at the Wells to show us how the repertory and company policies are developing, and we can welcome them back as valued friends. And, as with old friends, we can accept quirks and oddities of behaviour as part of a personality we have learned to love. Which is as nice a way as I can think of saying that the opening programme of the new season on Monday was something of a disappointment.

The evening began with our first view of the choreography of Jiri Kilian, Czech-born, Stuttgart-based, but producing what looks like a quintessential Dutch ballet. Over the years I have learned to expect ballets from Holland to feature a good deal of *angst* about human relationships. Maybe it is the Calvinistic traditions that inspire dance pieces *so obsessed* with men unhappy with women, and no less unhappy with each other. Mr. Kilian's *La Cathédrale Engloutie* complicates matters further by showing the two women in his cast of four equally unhappy with each other as well. In the language of the football pools he "perms any two from four," and they all end up as glum as *they started, having, in the* meantime, lusted and groped and behaved like fugitives from a Tetley ballet. The Debussy piano prelude of the title is played piecemeal, with lengthy interruptions in which we hear the wild waves roaring, and what at first seemed an interesting dance language deteriorates into cliché.

The piece is redeemed, though, by magnificent performances from its cast: Mea Venema and Harmen Tromp, Jeanne Solan and Jon Benoit.

The succeeding *Septet Extra* we know from the Royal Ballet's Touring repertory. I find that Hans van Manen's *jokiness* sits rather oddly on the elegance and felicity of the Saint-Saëns' trumpet septet, and the Royals dance it with a good deal more *sharpness of style*, but the great joy of this presentation is Gérard Lemaître's incarnation of the chief male role. Witty as you could wish, with a nice line in *aghast glances and throw-away* charm, he makes the final *Etude en forme de Valse* a little comic masterpiece as he battles against the invisible insect that besets the *action*.

The evening ends on a note of hermetic gloom with Louis Falco's *Caterpillar*, one of those ballets which one thinks must end soon, and which never do. The score—to use a convenient misnomer—is Luciano Berio's *A-Ronne, 1974*, an interminable trip through the Tower of Babel, in which a damnable assemblage of multi-lingual chatter nags and tears at our ear-drums. The stage is divided by William Katz's screen to create two locales, one decorated with warmly coloured *crayon* scribbles, the other bluer, colder in tone. The action, for seven men and seven women, looks for all the world like *dance-therapy* in a mad-house, and is as tedious and unconvincing as the score. Somewhere, some one is trying to give us a message. I must avow that I didn't understand it, and, unrepentantly, don't particularly regret the fact.

Aldeburgh Festival

Britten's Quartet

by GILLIAN WIDDICOMBE

The unveiling of an early string quartet by Britten was the highlight of Aldeburgh's first week-end. Britten is comparatively un-shy about his premature works—the Simple Symphony, *A Boy was Born*, and lately even sections from the long-squashed first opera *Paul Bunyan*. Precociousness is less notable than the wonderful agility and speed with which Britten has always written; and that sparse, salty, ninth-y flavour—never a note too many, or a passage too long, save forgiveably in *Midsummer Night's Dream*—woke early. The *String Quartet in D major* was written in 1931, during his three-year period at the Royal College of Music, studying composition with John Ireland but learning more daily from Frank Bridge at home.

The quartet is a three-movement one, 19 minutes long, often featuring unison writing, sometimes jagged in theme, but always clean in contrapuntal lines, in a literate, Bridge-influenced idiom. There is a slight textbook docility about the orderliness with which new subjects and sections appear in the first two movements which develop in six- and four-bar chunks respectively; but the final Allegro giocoso bobs along with amusing vigour, recently pruned. Bridge considered the writing too vocal —B.B. notes that he was madrigal-mad at the time—referring, I suppose, to the slightly syllabic tread of the first movement, and the regular imitations of the Lento. However, there are many passages in which muted tremolando, double-stopping, and super-legato effects are essential to the developing material; and *as a whole, the work is lithe*, concise and gently punchy. Not too difficult to play, I imagine; and therefore strongly commended to young quartets, as well as the Gabrieli who gave the first performance. A good idea to partner it with the wistful Ravel Quartet (which Britten surely knew as well as the Beethovens) and Mozart's Piano Quartet in E flat with Murray Perahia, who plays a large part in this year's Festival.

Saturday afternoon's concert was peculiar. The English *Chamber Orchestra, resident as* usual for the whole Festival augmented and stretched its limbs into a 60-piece ensemble for Mahler's Fourth Symphony, *preceded by Mozart's* "Jupiter." The idea of Mahler with chamber orchestral details worked wonders in the Fourth; many fine rhythmic shafts, polished textures, bright nuances. Strange, though, to hear any Mahler without the hot-cold atmosphere of struggle and revelry typical of large symphony performances. Alas, Walter Susskind and the ECO proved odd partners. Flexibility and spring are important to this orchestra even with ten first violins; but Susskind's style is mid-European, square cut and heavy boned; as the performance was often paced in the kind of four-four which needs a thicker toned ensemble to blow. Sheila Armstrong sang the soprano solos discreetly sweetly. The "Jupiter" was slow, pompous, and loud in melody.

Sunday afternoon's B minor Mass was a shame. The ECO had the day off, apparently, and Philip Ledger brought the CUMS chorus and orchestra down from Cambridge. The choir is uncom*fortably huge* but nicely firm and good; the orchestra small and tragically inadequate for the virtuosity of Bach's obbligato writing. Closest to the firing line, John Shirley-Quirk's *knees* winced noticeably—though of course, inadvertantly; but Helen Watts was the most taxed, and "Laudamus te" embarrassing. Peter Pears was pleasantly matched by Jenny Smith's light, plain soprano.

Wimbledon Theatre

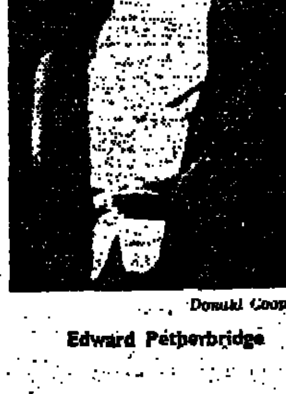
The Phantom of the Opera

by B. A. YOUNG

Nonsense, of course, but rather good nonsense, a cross between Boucicault and Poe. There is something to be said for the tale in which no homage has to be paid to credibility. The great virtue of the story, as dramatised (for the first time, surprisingly) by David Giles, is *that there is always something* new happening. Sometimes what happens takes up too much time; the production could spare 20 minutes without damage. But *then there is the question before* us of what happens next, and the equally interesting question of how it will be done.

There have been three film versions of the original novel, which I suspect few people will have read; also an updated version, *The Phantom of the Paradise*, only lately current among us. David Giles claims to have incorporated a theme in his play that none of the films realises. I don't remember them well enough to argue; perhaps it is the notion that Erik, the eponymous Phantom, exists also in the character of the Angel of Music, in which he plays Svengali to the Trilby of *Christine Daae, a young soprano* in the Paris Opera.

Foolish to recount in detail the manifold terrors that afflict the staff of the Opera as the *Phantom weaves his* wicked spells over them. They are ingeniously presented in the author's own production with lots of elaborate scenery. It ranges from Act V of Gounod's *Faust* (where we hear Christine (Sharon Duce) and her rival Carlotta (Sheila Reid) miming to the voice of Victoria de los Angeles) to the hideous torture chamber in the Phantom's elaborate underground empire, whither Keith Drinkel as Raoul, Christine's lover, and Darius, the Flying Persian, arrive only through the exercise of endless jolly mime.



Donald Cooper

Edward Petherbridge

At several points in the play there are long narrative scenes, partly acted out in flashback, and I would say that all of these are too long, however well they are done. The first of them at least gives an opportunity for Sheila Burrell, as a sinister usherette, to give a performance that hits precisely the right *note for character parts in melo*drama—a wild exaggeration of something well observed from life. She and Sheila Reid and Tenniel Evans as Darius (wandering all over the opera house as if he owned it) are the best at melodramatic playing; the rest, admirable as I found them, use straighter methods *and sometimes seem a little* colourless where they might be vivid. But Edward Petherbridge's Phantom, either in his ghastly incarnation or his *genteel one, has a polish sinister* enough for Dracula himself.

The ingenious designs are by Kenneth Mellor. (Why did he give us the Angel in *Faust* first *time round but not later?*) They are immensely elaborate and capable of being funny as well; the police interrogation in Christine's dressing-room, with all the company present, is hilarious.

RSC plans for The Other Place

The Centenary season for the Royal Shakespeare Theatre at Stratford-upon-Avon is to be complemented by four new productions at The Other Place, the company's smaller Stratford theatre . . . this for the autumn season from August 1 to October 18.

Hamlet, already at The Other Place, will be joined on June 24 by *The Mouth-Organ*, a work on language devised by Ralph Koltai and Clifford Williams. Next, Barry Kyle, who has been appointed artistic director for The Other Place for 1975, and John Barton, will direct John Ford's *Perkin Warbeck*, which *opens on* August 7.

This will be followed by *Man is Man*, by Bertolt Brecht, directed by Howard Davies from an English version by Steve *Gooch. This will open on Sep*tember 22, and the cast will include Geoffrey Hutchings and Mikel Lambert.

The final play in the sequence will be Shakespeare's *Richard III*, with Ian Richardson in the title role, and Tony Church as Buckingham and Richmond.

WORLD TRADE NEWS

Fiat group wins £100m. contract in Nigeria

BY ANTHONY ROBINSON — ROME, June 10.

IMPRESIT, the civil engineering subsidiary of the Fiat group, has just won a £100m. contract from the Sokoto-Rima basin Authority of Nigeria for the construction of a 5km.-long dam on the Sokoto River and a vast irrigation system.

The dam will create a 450m. cubic metre lake which will irrigate 30,000 hectares of land. Power for the irrigation system will come from a hydroelectric power station incorporated in the dam itself which will also serve a new township and agro-industries.

Work will start shortly and the project is scheduled for completion by 1980. Fiat estimates that the project will lead to the export of goods worth £200m. from Italy, including Fiat trucks, tractors and earth-moving equipment, steel pipes and machinery.

Meanwhile a high level Fiat delegation has just returned from the Soviet Union after talks concerning proposed expansion of the Togliattigrad car plant and proposals to develop the earthmoving equipment industry. To this end, Fiat general director Nicolo Gioia was accompanied by director of Fiat-Allis, the earthmoving subsidiary set up two years ago through the merger of the earth-moving activities of Fiat and Allis Chalmers.

Remaining in the civil engineering field Fiat has also just announced a joint venture with the U.S. company Syska and Hennessy Inc., of New York. Syska and Fiat Engineering have set up a joint company in Switzerland called Engineering and Construction Associates (ECA) with the aim of pooling their activities in the civil and industrial plant construction field with particular emphasis on contracts in developing countries.

All these new initiatives enter into Fiat's overall strategy of diversifying away from the automobile and internationalising not only its trade but also its partners.

● Fiat might soon obtain from the Soviet Union contracts to build another car factory and plants for assembling construction machines, reliable industrial sources disclosed yesterday. AP-DJ

Kenya gets vehicle assembly plant

BY OUR OWN CORRESPONDENT — NAIROBI, June 10.

AN AGREEMENT was signed here to-day for the establishment of Kenya's third commercial vehicle assembly plant. It is a joint venture between General Motors and Kenya's Industrial and Commercial Development Corporation.

General Motors have a 49 per cent. share and the Kenya Government, through the Industrial and Commercial Development Corporation, will have a controlling 51 per cent.

The plant is to be erected just outside Nairobi and will assemble Bedford and Isuzu commercial vehicles in light, medium and heavy duty ranges. The capital required is in excess of Kenya £5m.

It will have an assembly capacity of 6,000 vehicles. Today, Dr. Julius Kiano, Kenya's Minister of Trade and Industry, said he was delighted with the agreement "but the going was tough." Mr. George Ferrarese, who signed on behalf of General Motors, said "We believe Kenya has a sterling future and are very pleased to be part of its development." The company is to be called General Motors Kenya Ltd.

The two other commercial vehicle assembly plants now being built in Kenya are British Leyland which are assembling trucks, Landrovers and Volkswagen light commercial vehicles, as well as associated vehicle assemblers, a consortium of Lonrho and Inch Cape, using Datsun, Ford, Mercedes, Peugeot and Toyota components. They have a capacity of about 5,000 vehicles each.

NatWest North Sea loans of £42m.

THE National Westminster Bank has arranged for two lines of credit to be available to a consortium of Norwegian borrowers for the development and supply of a transportation system for the Frigg gas field, which lies in Block 25/1 and possibly Block 25/2 of the Norwegian sector of the North Sea continental shelf primarily for the transportation of natural gas to St. Fergus in Scotland.

Each financial agreement has been arranged by National Westminster on behalf of itself, Midland Bank and Williams and Glyn's and is guaranteed by the Export Credits Guarantee Department.

The field loan, which is for £12m., will be used to purchase U.K. equipment and services to be utilised in the development of the field. All the contracts under that loan will be placed by Elf Norge. Each approved contract must have a minimum value of £5,000 and be placed by June 30, 1977.

The transportation loan, for £25m., with a built-in option for a further £5m., will be used to purchase U.K. equipment and services to be utilised for the provision of certain manifold platform facilities and the construction of a pipeline to St. Fergus in Scotland and all contracts under that loan will be placed by Total Oil Marine Ltd. Each approved contract must have a minimum value of £25,000.

The consortium of Norwegian borrowers in respect of each loan are Norsk Hydro Produksjon, Elf Norge, Total Marine Norsk and Aquitaine Norge.

Plans for rules on trade subsidies

BY DAVID EGLI — GENEVA, June 10.

SPECIFIC proposals for effective rules to govern subsidies and countervailing duties are to be made later this year in a sub-group of the multilateral trade negotiations. This was agreed here in the initial meeting of the sub-group. Countries have been asked to submit their views by October 15, and the next meeting of the sub-group is scheduled for November.

The issue is important for the U.S., Canada, and EEC and certain developing countries, particularly Brazil. Of these, the U.S. has so far taken the most advanced position in suggesting that the sub-group should concentrate on subsidies that may be subject to countervailing duties and conditions for them.

In effect, the American delegation here has suggested three categories of subsidy: those which are prohibited and therefore countervailable under any circumstances; those which are permitted and never countervailable; and provisional subsidies against which a countervailing duty can be imposed if trade is being demonstrably distorted or if injury is being caused to domestic producers.

The bargaining position of the U.S. in this field has been considerably reinforced by the terms of the recent Trade Act. Under this the U.S. Administration, rather than having discretionary powers, would be required to apply such countervailing duties in all instances. The one escape clause provided in the Act is that these duties may be held up if they appear prejudicial to negotiations.

The implications are clear: the Americans attach priority to the question of subsidies and want a full solution to this problem during the negotiations. They also want to ensure that any solutions cover both industrial and agricultural produce—with the implications that this has for the common agricultural policy of the European Community.

But the problems are by no means exclusive to the Europe-U.S. trade axis. Canada is anxious to resolve its differences with the U.S. over its exports to that country of automobile tyres, and Brazil, which heavily subsidises certain exports, argues that since they come from a developing country they should not in turn be subject to countervailing duties.

Polish supertankers for Baltic Sea approaches

BY LESLIE COLLITT — BERLIN, June 10.

POLAND'S shipbuilding industry, seventh in rank internationally among exporters, is working on a design for supertankers to allow 300,000 d.w.t. vessels to negotiate the shallow approaches to the Baltic Sea. Until now the largest ships plying the Baltic have been under 200,000 d.w.t. Giant supertankers with cargo for the Baltic must be unloaded in the North Sea and their cargo transferred to ships of shallower draft.

The Institute of Navigation in the port city of Gdansk has come up with three different types of 300,000 d.w.t. tankers capable of service in the Baltic. The first is 360 metres long, 55 metres wide and has a draught of 21 metres. The second is 344 metres long, 75.5 metres wide and has a draught of 16 metres. Type 3 is 325 metres in length, 65 metres in width, and has a draught of 19.5 metres.

Vessels up to 400,000 d.w.t. with a draught in excess of 20 metres are also under study according to the Institute. Before they could be built though a channel would have to be deepened through the great belt to allow access to the Baltic.

One Polish shipyard, the Paris Commune at Gdynia, is currently constructing a dry dock to allow construction of 400,000 d.w.t. supertankers. Over the next few years the Polish merchant marine is to be supplied with tankers of 200,000 d.w.t. both carriers of 165,000 d.w.t. as well as container and semi-container ships, passenger and car ferries to be built at Polish and foreign yards.

Suez Canal reopening may hit India trade

BY D. P. KUMAR — NEW DELHI, June 10.

INDIA'S EXPORT trade, particularly with Persian Gulf countries, might be adversely affected by the opening of the Suez Canal on June 5. This is because the reopening will expose Indian goods to competition from advanced countries like Germany, France, Italy and the U.K.

The products that are likely to be most affected are engineering goods. Since the closure of the canal India's engineering goods and textiles found a ready market in the Persian Gulf countries because European countries found it uneconomical to export these products to the region via the Cape of Good Hope.

But with the reopening of the canal, highly-sophisticated European products are expected to pour into Gulf countries and India will have problems in competing with them as the landed costs and f.o.b. prices of Western products would be substantially lower.

Indian products would have to be given heavy export subsidy and also possibly cash credit incentives to enable them to retain these markets.

As regards Indian jute goods the impact may be marginal since Bangladesh—the main competitor will use the same sea route for its exports.

However, India is likely to gain in certain ways. The reopening of the canal will mean greater trading possibilities with Europe. Trade with East European countries and Russia will receive a fillip. The distance with Black Sea ports will be reduced by more than half and transport costs will come down correspondingly. India has certain built-in advantages on items like textiles, jute, coffee, tea, Cashew etc., and these items could now be exported to the West at much lower costs.

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AMERICAN NEWS

U.S. prepared to reduce nuclear strength in Europe

BY PAUL LEWIS, U.S. EDITOR WASHINGTON, June 10.

THE FORD Administration is now prepared in principle to reduce the number of tactical nuclear weapons that it stores in Europe, as part of an agreement with the Soviet Union cutting the Central European forces maintained by both Nato and the Warsaw Pact.

The Americans believe that an "improved" alliance offer of this kind provides the best hope of reviving the long-stalled "MBFR" force-reduction talks—and, in particular, of persuading the Russians to accept a common force level ceiling with Nato which would imply a larger reduction in Warsaw Pact troops, as well as additional cuts in their heavy concentrations of armour.

It is assumed that such a change of tactics towards the MBFR negotiations will also win the support of the other Nato allies and that there will be no objection in principle in Europe towards the inclusion of some tactical nuclear weapons in the force cuts that Nato countries are prepared to offer.

However, the U.S. Administration remains undecided at the moment about the best time to launch a new MBFR initiative along such lines, as well as about the precise details of the offer it should make—and both matters will require close consultation with the other Nato Allies.

In general terms, the feeling here is that the West should wait until the European security conference is out of the way and more progress has been made on the second SALT negotiations on limiting Russian and American strategic nuclear arms. This is partly because the Russian authorities seem to have difficulty in concentrating on more than one security negotiation at a time, and also because Mr. Leonid Brezhnev's expected visit here later this year may give President Ford an opportunity for some personal diplomacy at the summit level.

But while it is thus likely that the revision on the West's MBFR position will not become a live issue in Nato circles for some months, the matter may get a brief airing when the U.S. Defence Secretary plays host to other members of the nuclear planning group at its next regular meeting in Monterey, California, on June 16 and 17.

Ford defers new models output

BY GUY DE JONQUIERES NEW YORK, June 10.

FORD MOTOR, the second largest American car manufacturer, is to defer the start of production of its 1976 model cars by lengthening the customary closure of its main U.S. assembly plants by at least one week later this summer.

Officially, this decision is intended to allow extra time for the preparation and introduction of new models with improved fuel economy. Ford maintains that it will assemble the new models at a faster rate once production begins and that there will be no cutback in its third quarter production.

The delay will, however, take some of the pressure off Ford dealers to clear their stocks of current 1975 models before the new model year begins in the autumn. At the start of this month, Ford's unsold stock levels amounted to 78 days' supply, the highest in the industry, and contrasted with an average of 68 days' for the four main car manufacturers.

Several weeks ago rumours were circulating in Detroit that Chrysler was considering a plan to close down most of its six U.S. assembly plants for up to six weeks at a time this summer and introduce its new models later than the rest of the industry. Chrysler denied that any such move was planned, and the need for such drastic action may have been eliminated by the modest improvement in the company's sales in May.

It is expected that Ford's decision will mean that at least some of its new models will be introduced later than usual — perhaps in early to mid-October instead of in late September. Normally, Ford launches its new models about a week after General Motors.

The new models affected are likely to be at the bigger end of the range, where Ford cars have fared poorly in fuel economy by comparison with other American manufacturers. With this in mind, the company has been working hard to improve mileage on its 1976 model products.

In fact, the company has already announced a new line of improved mileage cars, which will go on sale next week. These are all smaller models, which achieved only 18 miles per gallon average in city driving, according to Government tests. Now, it is claimed that they will return 23 miles per gallon.

With the U.S. car market still weak, third quarter production plans by the industry remain unclear and may not be finally decided for several more weeks. The industry hopes that there may be an increase in sales just before the end of the 1975 model year in late summer — as happened last year—though this could be followed by a similar sales decline after the start of the new model year.

Presidential succession in Mexico

The mystery stakes

BY ALAN RIDING, MEXICO CITY CORRESPONDENT

THE STRENGTH of President Luis Echeverría's Mexican administration is waning rapidly now that fewer than three months remain before a successor is named. Politicians, bureaucrats and even businessmen transfer their loyalties to the half-dozen Ministers who are in the running to be chosen as the next "dictator for six years."

Sr. Echeverría himself is concentrating on completing the major public works of his administration and rounding off his energetic foreign policy by playing host to a series of foreign dignitaries, but the attention of the rest of the government is very much fixed on the future. The President is, after all, the only official whose position cannot improve in the next government.

This is a traditional ritual in a one-party system that has survived almost half a century largely thanks to an inflexible constitutional ban on re-election. But it is none the less dramatic and nerve-wracking since a failure to pick the winning candidate can mean demotion or even dismissal for thousands of public figures. In other words, the Institutional Revolutionary Party (PRI) continues, but the people change and each of the six leading aspirants knows that he and his followers may be in the wilderness during the next six-year administration.

On the surface, at least, the succession battle this time is different. Sr. Echeverría, who has permitted greater freedom of Press and political opinion since his installation in 1970, has tried to clear away some of the mystery surrounding the succession by allowing public identification of the main candidates and by encouraging them to give opinions on key issues. He has also instructed the PRI leadership to prepare a National Plan of government which will be the chosen candidate's campaign platform for the July, 1976, elections.

Yet these changes would appear to be little more than democratic cosmetics because the fundamental questions of who picks the PRI's nominee and how he is selected remain unanswered. True, six Cabinet members have been named as the "apparent" candidates, yet in the past those names would also have been known, though perhaps not published. The candidates have also been told to give their views on key issues, but they continue to echo the President for fear of "burning" their chances. Finally, despite the planned PRI platform, the party candidate will feel no more committed to it than Sr. Echeverría has been to the PRI's fiery Revolutionary principles.

The situation is therefore still highly confusing. Nevertheless, in political circles, the succession is about the only topic of conversation and everyone has his opinion or "inside information" on how it takes place—that the "pendulum" rules will force the system to pick a conservative to follow, Sr. Echeverría; that the PRI's candidate is picked by the "Revolutionary Family" made up of former Presidents, their families, and their economic groups; that the U.S. must approve any potential candidate; that the incumbent President can pick whomsoever he wishes; and so on. Certainly, Sr. Echeverría will have the final word in the choice of his successor, but it is difficult to gauge the influence of the country's principal political and economic groups or to know to what extent the current political in-fighting is merely a pseudo-democratic charade.

In his controversial book, Inside the Company: CIA Diary, an ex-agent, Mr. Philip Agee, claims that Sr. Echeverría, then Interior Minister under President Gustavo Díaz Ordaz, informed the local CIA Station Chief that he would be the next President two years before the official announcement. So the question arises now: has the successor already been picked and does the current political battle have the sole objective of eliminating those other candidates who think they should be chosen? Probably no one but the President could answer that, although his alternating promotion and discouragement of different candidates would imply that he is intentionally confusing the situation in order to hold on to power as long as possible himself. Certainly, if one candidate were already the obvious successor, Sr. Echeverría would now be little more than a figure-head.

"The political behaviour of the party candidate is totally unpredictable once he becomes President."

At present, three candidates would seem to stand out as front-runners. Two years ago, Sr. Mario Moya Palencia, the Interior Minister, was the strong favourite simply because four of the past five Mexican Presidents had previously occupied that same Cabinet post. But by encouraging others, Sr. Echeverría has recently transformed Sr. Moya into no more than one of several leading aspirants. Sr. Moya, 43, who has the reputation of being a firm conservative, is the evident choice of private industry which feels reassured by his ties to the powerful economic group of former President Miguel Alemán.

The only other candidate with a clear public image is the Labour Minister, Sr. Porfirio Muñoz Ledo also 43 years old, whose long association with the Colegio de Mexico has given him the reputation of being a Left-wing intellectual. Considered the brightest member of the present Cabinet, Sr. Muñoz was the author of the Charter of Economic Rights and Duties of States which became the pillar of Sr. Echverria's Third World-oriented foreign policy. His prospects have been bolstered by the President's recent statements that his successor should be "even more revolutionary" than himself, although Sr. Muñoz's candidacy is strongly opposed by business and still needs the firm backing of the country's conservative labour leaders.

If Sr. Moya and Sr. Muñoz were to knock each other out of the race as "too rightist" and "too leftist" respectively, the Minister of the Presidency, Sr. Hugo Cervantes del Río, could well be nominated by the PRI. Very much a machine bureaucrat, the 47 year-old Minister has made a fine art of echoing the President's views on every conceivable subject. His strength is therefore that no one feels passionately about him since his political tendency is still a mystery.

But while the struggle goes on between supporters of these Ministers, there remains an almost unspoken fear that Sr. Echeverría will ignore the traditional rules of the game and back a surprise candidate. This concern has therefore spread speculation about the succession beyond the leading candidates. The Finance Minister, Sr. José López Portillo, who was briefly favourite six months ago, seems to have given up the race. But the Social Security Director, Sr. Carlos Gálvez Betancourt, and the Agrarian Reform Minister, Sr. Augusto Gómez Villanueva, are apparently gaining strength. In the restaurants near Congress, other names are thrown around and the President's every action and speeches are analysed by Deputies and Senators whose political futures depend on identifying the right man. Everyone is ready to be surprised, but no one wants to be caught off-guard.

Inevitably, there is also a sharp reduction of "normal" activity in both public and private sectors. Officials try to complete on-going projects which their successors might drop, while not a few bureaucrats give priority attention to increasing their "savings" for fear of lean years ahead. No new programmes are launched and new studies and recommendations are held back to be presented to the successful candidate. In the private sector, investment plans are frozen and top businessmen—Mexican and foreign—make no secret of their view that future investments depend on the choice of a candidate more sympathetic to their interests than Sr. Echeverría.

But not all the confusion will disappear when the successor is named in the weeks following Sr. Echeverría's fifth State of the Union address on September 1. Despite the continuity of the PRI, the political behaviour of the party candidate is totally unpredictable once he becomes President on December 1, 1976. Sr. Echeverría, for example, was a conservative Minister and a liberal President. Would Sr. Moya follow suit or would Sr. Muñoz become more conservative in order to hold the system together? In Mexico, faces are saved by using masks. Only the President can afford to remove his.

Pele signs big contracts

Bermuda, June 10.

BRAZILIAN soccer star Pele has signed contracts here worth an estimated $6m.-$12m. for publicising products of an American entertainment and publishing company and for television and film rights.

Pele signed the contracts yesterday with Warner Communications Corporation, owners of the New York Cosmos soccer club. The 34-year-old former World Cup star then flew to New York, where he was due to-day to sign another three-year contract to play for the Cosmos in the North American Soccer League.

Reuter

Fall in Canadian jobless

OTTAWA, June 10.

THE NUMBER of unemployed in Canada fell by 0.1 per cent. in May to 7.1 per cent., Statistics Canada said to-day. The agency said that seasonally adjusted, the jobless rate was down only marginally, an indication that fewer jobs than usual were available at this time. The number of jobless Canadians was down 81,000 in May, bringing the total unemployed to 714,000 in a labour force of 10,094,000.

● Montreal: New reductions in the U.S. prime lending rates yesterday have stretched the gap in interest rates generally between Canada and the U.S. to around 2 per centage points, writes Robert Gibbens.

Money market sources now believe that with a steadier Canadian dollar in the exchange markets, the pressure is building up for cuts in Canadian prime and other interest rates, with quiet Bank of Canada approval.

A falling interest rate structure would also suit the federal Government in preparing for its budget of June 23. The prospect for prime rate cuts shortly showed up in fractional gains in the Canadian bond market on Monday.

Rockefeller optimistic about upturn

By Michael Van Os AMSTERDAM, June 10.

A TOP American banker has said that all the signs in the U.S. now are that an economic improvement is imminent. There should be clear evidence in the second half of this year of a recovery in both production and employment.

Addressing a luncheon in The Hague to-day, Mr. David Rockefeller, chairman of the Board of the Chase Manhattan Bank, New York, said that the slowdown in the rate of inflation, a sharp drop in short-term interest rates, some reduction in long-term rates and a working off of excess inventories all indicate that the worst of the recession is over.

"We do believe that the U.S. economy will come back fairly slowly," Mr. Rockefeller added, however. "For one thing, there is no sign that any one sector of the economy will provide the kind of boom that would trigger a swift upturn in the whole economy. For another, we expect that the automobile and housing industries will remain well below previous peaks for some time to come."

The Chase Bank chairman told the American Chamber of Commerce in the Netherlands and the American Association of the Netherlands that "while we don't foresee any boom for a while, we do expect much stronger economic growth in 1976."

He added that real GNP should grow by 6 per cent. or so, corporate profits should recover much of the ground lost in the current year and the unemployment rate should drop, although it is likely to remain high by recent standards during much of 1976. "Among other things, these prospects should help strengthen the dollar which would benefit world trade in general," Mr. Rockefeller added.

Although the tone of his speech was generally very optimistic, the Chase chairman also issued a warning that perhaps the most obvious economic threat to this prospective recovery would be an early revival of inflation resulting from a continuation of excessive stimulation after recovery is under way. The chance of this happening did not appear to be very great, however.

Besides trying to avoid past mistakes of excessive stimulation, the banker said that the U.S. should aim at remaining a full-fledged member of the world economic community. He added: "It must unfortunately be recognised, however, that there is a real threat to that full membership brought about in part by the large number of Bills which are being introduced in our Congress these days relating to the imposition of new constraints on trade and on foreign investment in the U.S."

Tindemans faces critics over U.S. fighter choice

BY DAVID CURRY BRUSSELS, June 10.

POURING scorn on suggestions that Belgium had turned her back on Europe in opting for an American aircraft to replace its air force Starfighters, the Belgian Prime Minister, Mr. Leo Tindemans, yesterday opened his campaign to preserve the life of his Government jeopardised by the fighter issue.

At the same time he re-asserted Belgium's desire to see the creation of a genuinely European aerospace industry and spelled out the attempts made over the past months to persuade the Benelux countries, Germany and France to agree to joint development of the Mirage as the genesis of such a project.

While Mr. Tindemans was speaking in Parliament the Socialist Party and the Flemish language party were deciding whether to put down a no confidence motion against the Government. In the face of a vote the Government would depend on the support of a section of the smallest part of its coalition, the French language Rassemblement Wallon which is split from top to bottom over the aircraft order.

Mr. Tindemans was particularly scathing about suggestions that the Mirage was the "European" option, the F-1 was neither conceived nor developed jointly, and "it is not in truth a European machine," he remarked.

He asserted that the overwhelming need had been to fulfil the country's Nato role and strengthen Western defence by standardising armaments. At the same time the genuine partnership offered by the U.S. in manufacture of the aircraft meant that the F-16 was good for the European aerospace industry as well as the right aircraft for Nato.

BELGIAN Defence Minister Paul Venden Boeynants has said in Brussels that Belgium's decision to buy General Dynamics F16 fighters will stand even if Prime Minister Leo Tindemans' administration is toppled by a no-confidence motion, Reuter reports. In Paris, French Premier Jacques Chirac formally deplored the European nations' purchase of the U.S. fighters in preference to French planes as one more chance which Europe had passed up to affirm its personality.

He pointed out that France did not take part in Nato integration nor in the Euro-group which concerned itself with procurement. It would have been necessary to make sure that a French purchase strengthened European security. In particular, Mr. Tindemans spelled out that France would have had to be broadened into a blue-print for the establishment of a European aircraft industry involving all the EEC countries.

He made clear that Belgian proposals to patch together a European Aerospace industry on the back of the Mirage had met with a flat refusal from the Dutch who thought that the Mirage was not a suitable machine on which to base co-operation and the Germans who wanted to keep the Starfighter replacement question separate from that of a European joint venture.

However, the Government is pursuing its plans for European integration, particularly a project for a European armaments agency. It hopes to call a meeting of European governments this month to discuss the question of setting up an integrated European aerospace industry, the talks to include Britain and Italy.

A dossier sent to Parliament by the Government reveals that, in addition to cost advantages, Belgium also won last-minute concessions from the U.S. which helped to swing its choice. Europe is to do work, according to the agreed formula, on all the aircraft ordered for the U.S. air force, for unlimited third country sales, and to share in work on sales to other European countries.

Cash bonus to speed Russian harvest

MOSCOW, June 10.

THE SOVIET Union said to-day that the crucial 1975 wheat harvest is beginning and disclosed that farmers are being offered big cash bonuses to work harder and faster.

The Communist Party newspaper Pravda said the incentive plan is being tried out in the Kuban region of the Caucasus to increase yields of winter wheat now entering the harvest season. The new incentive plan is aimed at cutting the amount of time winter wheat, which is planted before cold sets in during the autumn, spends waiting to be harvested.

The Russians are offering combine workers a 100 per cent. salary bonus if they harvest all their assigned work within eight days, 75 per cent. bonuses for nine days and 50 per cent. for 10 days. By shortening harvesting time, the farmers hope to cut wastage and thus increase the yield from each acre.

Pravda also disclosed that Russian farmers are still suffering from the kind of bad planning that has afflicted previous harvests, declaring that farmers in Kuban lack spare parts for farm machinery.

Because of the possible repercussions the Soviet grain crop can have in the United States, the U.S. keeps close watch on Soviet production. A U.S. report estimated yesterday the Soviet grain crop to be about 200m. tons, about 16m. tons below the official Soviet estimate, and blamed drought weather in several regions of the country for the decrease in expectations.

UPI

● However, reports AP-DJ from Chicago, Agriculture Department officials said to-day that the report was "outdated." The report covered conditions as of May 31. Since then, there had been a big improvement in the outlook.

Irish may defer pay rise agreed in national pact

BY DOMINICK J. COYLE DUBLIN, June 10.

A COUNTER-INFLATION package prepared by the Secretariat of the National Economic and Social Council (NESC) proposes a 10 per cent. surcharge on income tax, Selective food subsidies, a reduction in some VAT rates, a doubling of the road tax on private motor-cars and the deferral or withholding of the second phase settlement in the national wage agreement, according to unofficial reports published here this morning.

The reports have seriously embarrassed both the Government and NESC, and an official statement to-day denied that they represented the views of the Council's secretariat. The document concerned, said a Government statement on behalf of the NESC, "referred to an earlier draft working-paper and does not correspond to the report which the NESC finalised last Thursday."

The indications are that the "leak" from the NESC, which represents employers, trade unions, the farming organisations and senior Government officials, may have been organised deliberately by trade union sources inflamed at suggestions of any interference with the recently negotiated national wage agreement.

The Government itself is, in fact, known to be considering a number of the proposals mentioned in to-day's reports, but Ministers are anxious that any interference with the pay agreement should appear to emerge spontaneously through agreement between employers and the Irish Congress of Trade Unions.

In this regard, it is conceded that the "quid pro quo" from Government would have to be considerable, not least a direct lowering of prices in the public sector (perhaps electricity and transport) and additional state expenditure in the currently hard-pressed construction industry. An income tax surcharge covering the middle to upper income groups would also find favour with many trade unions.

The NESC has now finalised its report and it was given to the Government to-day, but without any public disclosure as to its contents, or even an indication that the various groups represented on the Council had endorsed its proposals. Indeed, all the NESC wanted to make clear was that to-day's published reports "were not authorised by the council."

However, it is unlikely that the final NESC proposals carry the unanimous endorsement of the council which, increasingly, has fallen back on the doubtful formula of seeking to cover up fundamental disagreements within its membership by inviting its own secretariat to prepare reports and then simply publishing them, or passing them on to Government, as discussion documents.

The Irish Congress of Trade Unions, in a formal statement to-night, said that any proposals to solve the present inflationary problems at the expense of the national pay agreement "would be wholly opposed."

Iceland facing general strike

By Our Own Correspondent

REYKJAVIK, June 10.

ICELAND to-day appeared condemned to a bitter general strike to begin at midnight in support of a 38-39 per cent. rise claimed for the lower paid, with workers in the higher paid brackets to receive the same absolute increases in terms of cash.

A mediation board appointed by the Government was believed to have recommended a 10 per cent. wage increase. This was not expected to satisfy the Labour Federation, which was expected to call out 40,000 workers, or about 90 per cent. of its members.

The strike would paralyse production throughout the country including most of the fisheries, which account for 13 per cent. of GNP. Fishermen on trawlers of more than 500 tons have already been out for two months. Shop and office workers will remain at work, at any rate until June 18.

Merchant ships were leaving harbour as quickly as possible to avoid the strike. Ships' engineers who had been out in sympathy with the fishermen returned to work yesterday fearing that their strike might be found illegal in the courts.

Airlines were expected to stop flying, though it may be possible to maintain international services until Friday.

Employers claimed that, hit as they are by an inflation rate close to 50 per cent. a year, there was almost nothing in the kitty for wage increases. A system of wage indexing was abandoned last year, at least temporarily, in the hope of bringing the inflation rate under control. It had shot up from a steady rate of 10-15 per cent. p.a. in the 1960s and early 1970s.

Dutch unemployment up

BY MICHAEL VAN OS AMSTERDAM, June 10.

THE EMPLOYMENT situation in Holland continued to worsen in May. Indications are that the unemployment figures will deteriorate further in the next few months as the massive reflation measures taken earlier are expected to show results only after some time.

According to the latest figures published in The Hague to-day, the seasonally-corrected unemployment figure for men and women combined had reached 211,900 in May (5.2 per cent.), which compares with 139,000 (3.4 per cent.) in May last year.

The Ministry of Social Affairs attributed the deterioration to the continuing slackness in domestic and foreign economic activity, resulting in fewer orders for industry. Stocks of unsold products are still considered to be too high.

Mr. Jaap Boersma, Minister of Social Affairs, yesterday referred to employment difficulties concerning reschooling of workers, declaring that reschooling facilities were being under-utilised.

A particularly worrying sector is the Dutch building industry. The Central Bureau of Statistics (CBS) said in The Hague to-day, quoting tentative figures, that building production had been 4 per cent. lower in the first quarter compared with the same quarter last year. Excluding price rises, however, production had declined by as much as 14 per cent.

Danes foresee zero growth

By Hilary Barnes

COPENHAGEN, June 10.

THIS YEAR will be one of zero growth for Denmark, with a high level of unemployment and a fall in business investment of 17 per cent., according to the official economic survey published to-day. However, towards the end of the year and in 1976 there should be a resumption of growth, stimulated by private consumption, public sector spending and house-building.

The present recession is expected to lead to a sharp improvement in the current balance of payments a deficit of Kr.2bn. compared with Kr.6bn. last year. Next year, however, an increased demand is expected to lead to a deterioration in the current balance of a possible deficit of Kr.4bn.

German railways plan to cut costs by £460m.

BY GUY HAWTIN BONN, June 10.

WEST GERMANY'S railways are embarking on a "radical savings programme" aimed at trimming costs by about Dm.2.5bn. (nearly £460m.) a year. Without this savings programme it is officially estimated, that the Federal Republic's budget would be worse off by Dm.16bn. (£2.95bn.) a year by 1979.

Last year, West German railways lost about Dm.2.8bn. (£514m.), rather less than expected. This year the deficit is expected to rise to a net Dm.3.7bn. (£680m.).

The railways' gross losses during the current year, however, are expected to total about Dm.5.43bn. (just £1bn.) and, at the same time, the annual balance sheet loss is expected to run at about Dm.5bn. (£917m.).

According to Dr. Wolfgang Vaerst, president of the Deutsche Bundesbahn, the "radical cure" will include heavy cuts in personnel. The policy of non-recruitment of new staff would be continued, and, over and above already planned cuts of 20,000 jobs, the payroll would be trimmed by a further 40,000 places.

On the personnel front alone, the slimmed workforce of 345,000 employees would save the railways about Dm.1.6bn. (£295m.) a year, Dr. Vaerst said

It is planned to cut routes, and the railways are to be put on a new organisational basis. The old "Prussian hierachical administration structure" is to be replaced with a system that Dr. Vaerst says will make it possible to measure each individual worker's performance.

The savings plans will make for a smaller Bundesbahn but a more sound financial footing to face the stiff competition coming from other forms of transport, Dr. Vaerst said.

Last year the Government subsidy totalled about DM10bn. (£1.84bn.). According to Dr. Vaerst, personnel costs accounted for about 72 per cent. of total costs, which, at DM16.6bn. (£3.1bn.), were held at about the previous year's level.

The new plan reflects in some degree Chancellor Helmut Schmidt's view that the railways' belief that they can turn the current deficit into an annual profit of DM3bn. (£550m.) by 1985 is "utopian."

There remains stiff competition on the profitable long-distance routes, while, at the same time, the railways are being obliged to maintain unprofitable services for social reasons. The savings plan will certainly aid the railways to curb steeply rising labour costs. Many of the social responsibilites, however, cannot be despensed with and will continue to be a drain on resources.

French cut base rate

BY RUPERT CORNWELL PARIS, June 10.

AFTER last week's half-point cut in bank rate, the French commercial banks have bowed to the wishes of the Finance Ministry and lowered a further notch the rate at which they lend funds to industry.

The reduction — as for bank rate the fourth this year—lowers the base rate for corporate borrowers to 9.80 per cent. from 10.30 per cent. previously, while the basic cost for an overdraft goes down to 11.85 per cent. from 12.35 per cent.

The trend towards cheaper money in France is part of the Government's reflationary strategy to pull the country out of what appears to be a deepening recession. However, the banks will be pressing for some help to their own liquidity, and it is possible that fresh cuts in their own minimum reserve requirements are on the way.

John Wicks writes from Zurich: Major Swiss banks have announced decreases in deposit rates to 3¼ (4) per cent. for three to five-month deposits and to 4¼ (4¾) per cent. for six to 11-months.

Prostitutes evicted from French churches

By Giles Merritt

PARIS, June 10.

IN A SERIES of dawn raids this morning, police squads swooped on churches in six major French cities that have been occupied during the week-long prostitutes' "strike."

Acting on the orders of France's Interior Minister, M. Michel Poniatowski, who has since claimed that the cathedral of Notre Dame de Paris has been singled out for occupation to-day, the girls were physically evicted from the churches where they have been camping out during their much publicised protest.

In Marseilles and Lyons, the latter city having been the starting point a week ago of the prostitutes' demonstrations against police harassment, high fines and bribe taking, there have been reports of girls being molested during the evictions. The police authorities have since denied this.

It now seems, however, that the prostitutes have succeeded in focusing enough attention on themselves to ensure official efforts to end the ambiguous legal status of their trade. In an Elysee Palace statement to-day, President Giscard d'Estaing promised an inquiry into the "human problems" of prostitution.

Soliciting is illegal but prostitution itself is not. As a result, claim the girls, they often are forced to pay out as much as £100 a day in fines and bribes. M. Poniatowski himself conceded in a radio interview this morning that the laws governing prostitution were "hypocritical and contradictory" and said that the girls certainly had the right to have their situation examined.

But he insisted that the French Government has no intention of drafting legislation that would encourage prostitution. He pointed out that it is already a £7m.-a-year business, bigger even than Tierce betting.

Just what shape new French legislation on prostitution and pimping will take no one knows. The debate M. Giscard d'Estaing's promised enquiry will certainly trigger will no doubt be lively . . . . and, France being France, entertaining. This week-end, the French Minister "for the quality of life," M. Andre Jarrot, loosed-off the opening shots in the discussion with his public statement that not only should France never have banned the brothels after the war, but that in any case there remained the matter of the several million bachelor immigrant workers who still need to be catered for.

If anyone has so far come badly out of the affair it is not the several hundred militant prostitutes evicted around the country but France's trend-setting Minister for the Feminine Condition, Mme. Francoise Giroud. Her recent refusal to meet a delegation of prostitutes who wished to explain their troubles and solicit her help has since unleashed a growing storm of criticism.

UN GETS REPORT ON CYPRUS

By Our Own Correspondent

UNITED NATIONS, June 10.

U.N. SECRETARY-General Kurt Waldheim said in his report to the Security Council on Cyprus to-day that the inter-communal negotiations needed to be accelerated. One problem was priorities. One side wanted to establish the powers and functions of central government, while the other wanted to clarify "territorial aspects."

Dr. Waldheim, as expected, recommended a further six-month extension of the U.N. peace-keeping force's mandate on the island, to which both sides have agreed.

EUROPEAN NEWS

ITALIAN REGIONAL ELECTIONS

Sig. Fanfani's fight for survival

BY ANTHONY ROBINSON, ROME CORRESPONDENT

NEARLY 40m. Italian voters go to the polls on June 15 to elect new regional assemblies in the 15 regions set up in 1970 as well as in 86 provinces and 6,500 communes throughout the country. *Theoretically that provides* an opportunity for voters to express their judgment on the performance of the regions in their first five years of existence and on the administrative honesty and efficiency of their provincial and communal councillors.

In practice, the story will be different. To be sure, *the voting* pattern will lead to the election of these officials, but that will be almost incidental to an election campaign fought almost entirely on the grand themes of national and international politics, *so beloved of Italian* politicians. None of your 3p-on-the-rates type arguments here! That does not mean that the local issues do not count, that local personalities do not have their influence, or that favours done and slights received will be forgotten on voting day. Nor does it detract from the value of the various congresses, debates and lobbying for funds and *influence* in which all the parties have participated in preparation for the elections.

But all the local authorities, including the recently constituted regions, are deep in debt and limited in powers. Although one of the growing pressures in contemporary Italy is for greater autonomy and participation at a local level, the voters know that what really counts is the way in which the voting pattern affects the distribution of power between the parties nationally. That is of particular interest at this time because the elections of June 15 provide the first opportunity on a national scale to verify, at a year's distarre, the full political impact of the divorce referendum vote of May 12 last year, which saw millions of Italians cross their respective party lines for the first time in 25 years to give an overwhelming 59 per cent. vote in favour of what is generally recognised to be an essentially modern, lay attitude to an important social and political question.

On the basis of this vote many political observers here saw the premise for a break up of that political log jam which has characterised the Italian electoral pattern for nearly 30 years. It is a pattern *which has allowed* the Christian Democrat Party to maintain an unbroken hegemony of power on the basis of around 38 per cent. of the votes in and alliance first with centrist parties like the Liberals, Republicans and Social Democrats, and then opening the alliance to include the Socialists while continuing to *exclude from national* Government both the Communists with their 28 per cent. of the electorate and the neo-Fascist Movimento Sociale Italiano (MSI).

The divorce referendum showed that for the first time *millions of Catholic Christian* Democrat voters had abandoned their party's line. This caused the party to fear, and the *Socialists* and Communists in particular to hope, that the CD party would drop below that 35 per cent. of the total votes which is taken to be the minimum below which the party's hegemony would be seriously threatened. These hopes and fears appeared to be borne out by the results of the partial elections in Sardinia last June and various local and communal elections which showed a substantial haemorrhage in areas of *traditionally strong CD electoral* influence. That helps to explain why the current local and regional election campaign is being fought with a bitterness and aggressiveness exceptional even by the traditionally tough electioneering standards here.

It is a tone which has been very largely set by Sig. Amintore *Fanfani, the Secretary of the CD* party. He led it into the referendum defeat and knows without any shadow of doubt that he is fighting not only for the survival of his party as arbiter of Italian politics, but also for his own political survival. Sig. Fanfani, virtually written off after the referendum, has bounced back with an impressive display of aggressive energy and tactical skill which has caught all the other parties, *including* the Communist Party, off balance. Scoring subtly, Sig. Fanfani de\`ided that the campaign was going to be fought on his terms and early on he singled out anti-Communism and law and order as the principal themes to hammer home.

Sig. Amintore Fanfani

Sensing growing popular unrest at the underlying economic crisis, and particularly the heavy increased burden of taxation, Sig. Fanfani overnight became the paladin of lower taxation for married couples, especially harshly treated under the new tax law, even though this brought him into conflict with the Finance Minister, Sig. Bruno Visentini who complained that the tax system was in such a chaos that it would take three years to make it work provided that no one interfered.

This incident clearly demonstrated that at this stage the only thing that counts is to win the elections, or at least to contain the likely CD loss sufficiently to maintain the party's share over the 35 per cent. Another reason why Sig. Fanfani has insisted that at this time only electorally exploitable problems count is that he is well aware that, after 30 years of *uninterrupted* power, the CD party is gravely vulnerable to charges of corruption, maladministration, and patronage, which underline so many of the social problems influencing the public order situation and the economic crisis which has made the tax burden so onerous.

On the other hand both he and the party *leadership* as a whole are incensed by the way in which the Socialist Party in particular is attacking the CD party. After all, they argue, the Socialist Party has been in the Government for most of the last *12 years, and must bear its share* of responsibility for any errors committed. The Socialists for their part argue that though formally they were in Government, the CD effectively excluded them from real power, and that they are campaigning for a greater Socialist vote to force the CD to concede them a greater share of power in any future Centre-Left Government. Significantly feeling within the CD party is running much higher against the Socialists than against the Communists, even though for reasons of political strategy the CD campaign is also based on a rigidly anti-Communist line.

The prospects seem to be that voters *will show a marginally* greater volatility than hitherto, but that the full extent of this will never be fully seen because much of the movement from one party to another will probably be largely offset by movements *in the opposite direction*. The CD party for example is expected to gain votes on its Right at the expense of the Social Democrats and MSI which will partially compensate for losses to the Socialists or Communists on its Left. That is expected to leave Sig. Fanfani his over 35 per cent. target. The general view is that the Left as a whole will gain, partly because it is expected to pick up the lion's share of the 2.5m. over 18s who vote for the first time in these elections. The Communist Party for example is hoping to top the 30 per cent. mark, although *it is* being increasingly challenged on its Left by extra-parliamentary groups standing in certain red strongholds such as Emilia-Romagna and Tuscany, as well as Lazio. The Socialists hope to gain *considerably*, but *look like being* disappointed in their aim to top the 15 per cent. mark. Both the Liberals and the MSI, which has been severely compromised by the publicity given to numerous examples of extreme Right-wing *terrorism, are expected to lose* ground along with the Social Democrats who have had their electoral clothes neatly stolen by Sig. Fanfani. The Republicans are expected to gain marginally.

Provided there is no political *violence to raise emotions*, and provided the electorate does not throw over its 30-year proven preference for moderate electoral change, Italy on June 16 should look very much the same as before. There might be one or two new "Red Regions" like Liguria and the Marche to add to existing Emilia-Romagna, Tuscany, and Umbria, several hundred new Socialist and Communist regional and local councillors—and an unchanged legacy of national and local problems to solve which have been put aside until after the elections. After studying carefully the entrails of *the results for significant signs*, the politicians will probably then turn their attention to thinking about the timing of the next Government crisis which will inevitably be made more difficult by the harshness of the polemics *between the four parties of the* Centre-Left in these elections. There will probably also be talk of new general elections if socialists and Christian Democrats fail to sink their differences and so Italian life *goes on.*

Tito gives formal support to non-aligned N. Korea

BY PAUL LENDVAI

VIENNA, June 10.

MARSHAL TITO, the Yugoslav leader, has come out publicly in favour of North Korea's admission to the world group of non-aligned nations. North Korea would be the third full-fledged Communist country—after Yugoslavia and Cuba—to join the group if, as expected, the ministerial *meeting* in Lima in August approves its participation.

In a joint communiqué issued to-day to mark the end of the five-day visit to Yugoslavia of the North Korean President and Communist Party chief, Kim Il Sung, Yugoslavia said it fully supported the North Korean demand for an immediate withdrawal of all foreign troops from South Korea and the Communists' proposals as a basis for the reunification of the Koreas.

The Yugoslav mass media gave unprecedented publicity to the talks between Marshal Tito and the North Korean leader. In an improvised public statement made last night in Ljubljana, Marshal Tito promised to give full support both bilaterally and at international level to the fight of what he called "our Korean friends" for the reunification of the Koreas. Mr. Kim Il Sung repeatedly expressed "profound gratitude" for the Yugoslav support, both with regard to the admission of North Korea to the non-aligned group and to the "struggle for an automonous and peaceful reunification of our country."

Economic relations are extremely limited between North Korea and the countries President Kim Il Sung has just visited — Yugoslavia, Romania and Bulgaria — but North Korea is now regarded both by the Yugoslavs and the Romanians as an important ally in resisting Soviet attempts at the domination of the world Communist movement.

Mr. Kim Il Sung carefully avoided mention of either Russia or China and repeatedly stressed the equality and full independence of each Communist Party. At the same time North Korea's interests in the non-aligned movement, which has lately played a rather insignificant role, is claimed by the Yugoslav side as a significant and symbolic success for Marshal Tito's independent foreign policy.

Tokyo and the dominoes, Page 8

EEC 'should aid Britain to avoid import curbs'

BY HILARY BARNES

COPENHAGEN, June 10.

THE EEC should provide Britain with financial assistance if this would help prevent the U.K. from introducing import restrictions, the Danish EEC Minister, Mr. Ivar Noergaard, said here to-day.

He told a briefing for foreign journalists that member countries should avoid introducing trade restrictions and that the EEC should therefore be prepared to provide financial help. "We would be very positive towards the EEC granting a British request for help if such a request were made," he said.

The Minister welcomed the result of the British referendum, stressing the affinity of views on the future development of the EEC between Denmark and Britain. "It will strengthen the pragmatic approach which we in Denmark have promoted. We should not be wasting too much time on chrome-plated visions of the future," he said.

Both countries wanted to protect the sovereignty of their national parliaments. "We do not see the need to let the words 'European Union' signify federalist solutions," he said. European union should be furthered by developing the process of consultation and not by introducing new institutions.

He said that Denmark wanted to see the EEC concentrate on central problems, such as energy policy and monetary policy, and shelve detailed harmonisation plans, which only created an enormous bureaucracy and irritation in member countries.

He looked forward to participation by the British Labour Party in EEC organisations and in the European Parliament and hoped that Labour would join the Democratic Socialists in the European Parliament, where he expected they would strengthen the views held by the Danish Social Democrats as opposed to the Continental Democratic Socialists.

Italian businessman kidnapped

BY ANTHONY ROBINSON

ROME, June 10.

TWO ARMED men disguised as Carabinieri to-day kidnapped Sig. Amedeo Ortolani, the 36-year-old Italian businessman who three months ago took over the Voxson radio and tape recorder subsidiary of the EMI group.

Sig. Ortolani took over Voxson *following desperate efforts* by EMI to rid itself of its heavily loss making Italian subsidiary. He was able to provide credible guarantees for the 2,000 strong labour force at Voxson's Rome factory and has set in train a ten year research and development programme which has received wide consensus of approval from the local unions.

Under these circumstances, the Voxson shop stewards committee to-day issued a statement condemning the kidnapping as "another attempt to create an atmosphere of chaos, fear and disorder in the run-up to the regional elections." They also expressed fears that Sig. Ortolani may be forced to sell Voxson in order to raise the cash to pay any eventual ransom.

Sig. Ortolani's kidnap is the latest in a long *series*. Last week the Gancia alcoholic and soft drinks heir Sig. Vittorino Gancia was kidnapped near his castle home by members of the Fantomatic "Red Brigades" and released after a gun fight with Carabinieri during which a woman was killed. The woman, Margherita Cagol, was the wife of *Red Brigade chief* Renato Curcio. Sig Curcio escaped from a thinly guarded jail in northern Italy six weeks ago under mysterious circumstances which have deepened suspicion here that the pre-electoral rash of kidnapping, bombing and other terrorist acts are part of that "strategy of tension" which has afflicted Italy since the *spring* of 1969.

Malta move on violence

BY GODFREY GRIMA

VALLETTA, June 10.

ACCORD was hammered last night between Malta Premier Dom Mintoff and Opposition *leader George Bor; Olivier* to stamp out violence at political rallies. The agreement follows last Sunday's disturbances at a Nationalist Party meeting where ten people were injured by flying stones and bottles and the party's club at Kalkara was ransacked by supporters of Mr. Mintoff's ruling Malta Labour Party.

Last night the Nationalist Party Opposition had decided to table a *motion* in Parliament to have the issue thrashed out in public debate, but a request was made to the Prime Minister for a private discussion.

At a three-hour meeting delegates from both parties agreed to "take internal *measures" to curtail violence*.

Mr. Mintoff later told Parliament: "Both sides of the House condemn violence. Both parties are in favour of true democracy and there can be no democracy without political activity. To restore the healthy political climate which prevailed until recently both sides have agreed to take certain internal steps."

JAPANESE FOREIGN POLICY

Tokyo and the dominoes

BY CHARLES SMITH, FAR EAST EDITOR

JAPANESE Foreign Ministry statements on the regional situation remain as opaque as ever after the end of the Indo-China war giving the impression that Japan's principal response to all foreign policy problems is to hope that they will go away. Behind this façade, however, some hard thinking has been going on in Tokyo.

The Japanese know better than anyone else that the next important domino to fall in Asia could be Korea. They also know that Japan itself, because of its enormous dependence on imported raw materials and its minimum spending on defence (0.84 per cent. of the GNP), is one of the most vulnerable countries in Asia. The Japanese would be acting out of character if they had not already formed a very shrewd idea of how their cards are stacked in the aftermath of Vietnam.

The first conclusion which the foreign policy makers seem to have arrived at is both simple and negative. Barring a radical change in its domestic political situation, Japan has nowhere else to go but the American alliance. No Japanese Government could re-arm without outraging the majority of the electorate which believes in the sanctity of Japan's anti-war constitution. Similarly no Government could resort to undefended neutrality (the doctrine of the Japan Socialist Party) without losing the confidence of the business community on whose support every Japanese Prime Minister has depended since the war.

The American alliance has one other important advantage: it enables Japan to be benevolently neutral in the Sino-Soviet dispute instead of the nation capable of drastically shifting the East Asian power balance in one direction or the other. But if the U.S.-Japanese alliance suits everyone (except, presumably, the North Koreans) it has one potentially fatal weakness. The Japanese have no real idea of what the Americans would actually do if the peace were disturbed in North-East Asia. They also have the uncomfortable feeling that President Ford does not know either.

The Americans still have 39.000 troops in Korea (whose nearest point to Japan is about as far away as Boulogne is from Folkestone). They are bound by U.N. resolutions to defend the South against incursions from the North, although these could lose their force if the U.N. command, of which American troops form the major part, were to be voted out of existence this autumn by the General Assembly. But no number of U.S. troops in Korea, or for that matter in Japan itself, is likely to be much use without money, and the Japanese have been forming some disquieting impressions recently about the sort of financial support that might be approved by Congress if the North were to strike. A particularly well informed Asian statesman who was in Tokyo recently after a visit to Washington offered his Japanese hosts the opinion that the American military presence in Korea might last about 60 days if war broke out.

> "Japan is now very interested indeed in doing whatever might prevent Moscow or Peking from starting a war in Korea."

Faced with these uncertainties and with the lack of any basic alternative to their present policies, the Japanese are stressing three major priorities. They are, to begin with, losing no opportunity of reminding the Americans of how much they value the existing U.S.-Japanese security agreement. A renewed statement of America's commitment to defend Japan was sought and obtained, when the Japanese Foreign Minister, Mr. Kiichi Miazawa, visited Washington in the final stages of the Vietnam war.

More recently, the director of Japan's Self-Defence Agency, has requested talks with the U.S. Defence Secretary, Mr. James Schlesinger, in which the latter would be asked to spell out precisely what the U.S. would do (including the use of its Japanese bases) in the event of war in North East Asia. Japan has also shown its awareness of how much it needs the Americans in a negative way—for example by revealing no trace of embarrassment when Washington failed to consult it before moving the marines from Okinawa to take part in the strike against the Cambodian captors of the Mayaguez.

But the Japanese are far too canny to think that all they need to do in the post-Vietnam situation is to nestle closer to Washington. They have adjusted their relations with South Korea which were in a sad state last year after the prolonged squabble over the kidnapping, from a Tokyo hotel, of the former South Korean presidential candidate, Kim Dae Jung. Lastly they have grasped the extreme importance of preserving the North Pacific power balance between the U.S., Russia, and China and are refraining very deliberately from doing anything that could disturb it. Policy towards Korea, after the aberrations of 1974, can be summed up in the simple phrase "be nice to the South." The two countries went through a very bad patch in their mutual relations last year.

At the same time, in a number of rather niggling ways, the Japanese have been showing themselves rather ill disposed to North Korea. For instance, there will be no more export guarantee insurance for the time being for Japanese companies selling to the North (although the foreign ministry says this is strictly a business decision). That could matter quite a lot since Japanese exports to North Korea more than doubled in 1974 and consist primarily of complete industrial plant.

The three-cornered North Asian power balance provides what is probably in the long run the most important focus of Japanese foreign policy. Japan has been trying for years to maintain an equal distance between itself and Russia and China, in the hope that some kind of regional stability might result from prolonged and indecisive flirtation with both powers. Apart from the general objective of keeping out of trouble, Japan is now very interested indeed in doing whatever might prevent Moscow or Peking from starting a war in Korea.

There is a fear that the Russians might conceivably take such a course if they felt that the other powers in the region were ganging up against them, since Russian arms and money would almost certainly count for more than anything China could offer (with the possible exception of men) in any new Korean conflict. The Japanese Government has been trying hard not to upset Moscow in its recent conduct of the three-cornered relationship, even to the extent of causing itself considerable domestic embarrassment.

Mr. Takeo Miki was particularly anxious to complete negotiations on the proposed Sino-Japanese Treaty of Peace and Friendship in time for ratification during the current session of the Diet (ending early in July), since that would have boosted his popularity with his pro-Chinese electorate. He has been refusing to budge, however, in the face of a Chinese demand that the treaty should contain a clause which would implicitly accuse the Soviet Union of trying to dominate East Asia, the so-called "hegemony clause."

The risk of a flare-up in Korea is of course not the only thing that worries Japan in the aftermath of Vietnam. The other fear is that the changing power balance in South-East Asia (not the Indochina situation itself, but its possible sequels) might endanger Japan's access to raw materials. Japan obtains vital materials, including oil, from Indonesia, and to a lesser extent from Malaysia and the Philippines. But the importance of South-East Asia as a source of supply is less than its significance as a strategic point on the tanker route to Japan from the Middle East. Japan knows it would suffer very seriously if not only the Malacca Straits between Indonesia and Malaysia, but also the various sea routes through Indonesia itself, were closed. Its main priority in South-East Asia is, therefore, not so much to get on to good terms with the new Communist powers in Indochina, as to keep the offshore states both stable and friendly.

The achievement of this aim (as Mr. Kakuei Tanaka's visit to Djakarta demonstrated so painfully early last year) is partly a matter of making the right noises about South-East Asian nationalism and playing down the "economic animal" image. To a much greater extent, however, it is a matter of paying (through investment, aid, and trade, and possibly ultimately through actual tolls to the Governments of coastal states) for the favours which Japan knows it needs from the region.

Japan is ready to buy the facilities it needs in South-East Asia as well as to adopt a suitably progressive position on issues of interest to the region. It is clever enough to keep on reasonable terms with Russia and China and its importance to the U.S. is enough to deter Washington from willingly embarking on any course which might endanger Japanese security. In the last resort however Japan will remain a spectator and a possible victim of Asian events rather than a protagonist. It cannot become the latter until the Japanese public stops believing that a distinction can be drawn between economic and military power.

Japanese GNP falls for first time in 30 years

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, June 10.

JAPAN'S gross national product fell by 0.7 per cent. in the first quarter of 1975 according to figures released to-day by the Economic Planning Agency (EPA).

The agency also announced that for the whole of fiscal 1974 (the 12 months ending last March) the GNP recorded a 0.6 per cent. decline. The decline is the first to be registered by the Japanese economy since the end of th Second World War, but the figure of 0.6 per cent. is substantially less than earlier estimates published by the Government.

The significant point about to-day's figures is the revelation that the economy plunged very steeply (by 0.7 per cent. in the first quarter) just before it touched bottom in April. Evidence is now piling up to support the government's view that there has been a turnaround and that there will be a gradual recovery during the remainder of 1975. But there is growing doubt as to whether the official target of a 4.3 per cent. growth rate for the current fiscal year can be met.

An EPA spokesman said to-day that the government was not planning to revise the growth target just now, but would be more likely to scale the target down rather than up if revision eventually became necessary.

Japanese officials acknowledge that they are coming in for fairly regular criticism at international economic gatherings for Japan's alleged failure to reflate its economy quickly enough and for the huge surplus the country is running in its trade with non-oil producing countries. The reply to such criticisms is that inflation stil lremains a danger and that Japan's Asian trading partners might suffer even more from exported inflation than they have been doing from the effects of Japan's recession.

A third round of measures to stimulate the Japanese economy is, however, due to be announced next Monday with the emphasis on public expenditure and particularly on loans for State-financed housing construction. Public spending remains the one really stronge source of demand for the Japanese economy at present, since private consumption is stagnant, while investment is falling and exports are dropping back to levels only slightly higher than a year ago.

Pursuing another line defence on the reflation issue the director of the EPA's research bureau, Mr. Isamu Miyazaki, pointed out to-day that Japan cannot help running a massive trade surplus with non-oil producing countries if it is to finance its deficit with oil exporting countries. In fiscal year 1974 when the trade balance was in surplus by the modest figure of $1.4bn., Japan had a non-oil trading surplus of $14.6bn., Mr. Miyazaki said, as against a deficit with the oil exporting nations of $13.3bn.

Mr. Miyazaki said the overall trade surplus this year would be between $8bn. and $10bn. He declined to speculate on the amount of the surplus with non-oil producing countries.

South Africa-Nato 'ties' row

BY DAVID BUCHAN

A NATO spokesman in Brussels said yesterday that a West German company was perfectly entitled to pass on to South Africa details of the alliance's equipment codifications procedure.

He was commenting on allegations also made yesterday by the honorary secretary of the British Anti-Apartheid Movement, Mr. Abdul Minty, that military ties between South Africa and the West were "growing."

Mr. Minty produced a letter apparently showing that the German company, AEG-Telefunken, has passed on to South Africa details of NATO equipment coding, in connection with Project Advokaat, a new large telecommunications centre at Silvermine, near the Simonstown naval base, designed to track air and naval traffic over a wide area in the South Atlantic and the Indian Ocean.

Mr. Minty also produced photostats of documents which he said showed that lists of spare parts had been prepared in various NATO countries (including Britain) translated into NATO coding jargon onto NATO codification forms, and then sent to Pretoria.

Mr. Minty also said that Dr. A. G. Engelter, of the National Electrical Engineering Institute of South Africa, had visited Britain last October—probably in connection with the Project Advokaat, Mr. Minty thought—and had visited the electronics companies of Marconi and Plessey, had gone to France to talk to Thomson CSF and then on to West Germany. Mr. Minty, who said that his evidence went a long way to explain the vetoes of France, Britain and the United States against a mandatory United Nations arms embargo against South Africa, has presented his allegations to the UN Special Committee against Apartheid for investigation.

But the Nato spokesman said that Project Advokaat is "a private industrial development by a German company and has no connection with Nato at all." As for the codification system, which assigns common stock numbers to pieces of equipment for quick purchase, it is "open and unclassified" and is used "by a number of non-Nato countries"

Nevertheless, these revelations—although they do not uncover the sale of actual weapons—may yet embarrass the British Labour Government, which again pledged at the Commonwealth prime ministers conference at Kingston last month "strict" military ostracism of South Africa.

The international committee of the Labour Party decided yesterday to send a four-man delegation headed by the former party Chairman, Mr. Ian Mikardo, to discuss with the Foreign Secretary the claim that NATO equipment is being supplied to South Africa. Many Labour MPs have reacted angrily to the reports.

Border move may hit Malawi imports

By Tony Hawkins

SALISBURY, June 10.

THE EXPECTED closure of the border between Rhodesia and Mozambique by the new Frelimo Government when it takes over on June 25 could affect about one third of Malawi's imports. Last year, South Africa supplied 23 per cent. of Malawi's imports (being slightly ahead of the U.K. as the main supplier) and Rhodesia just over 13 per cent.

The bulk of Malawi's imports from these two countries travel by rail through Rhodesia to Dondo in Mozambique before being re-routed northwards to Malawi. While it is possible that Mozambique will not interfere with transit traffic to and from Rhodesia—for such countries as Malawi, Zaire, South Africa and Botswana—this seems unlikely.

Malawian importers are believed to have been told recently by President Banda to obtain new sources of supply other than Rhodesia and South Africa.

Some South African exports to Malawi could conceivably be re-routed by sea and rail either to Beira or Nacala, but it seems probable that Rhodesia will lose export markets worth some $Rh.13m. last year.

The impact on Rhodesia could be severe, given its tight balance of payments situation. In 1972 (the most recent year for which figures are available) Malawi bought 3½ per cent. of Rhodesia's exports.

Rhodesian businessmen do not expect any sympathy from Mozambique for Malawi following President-elect Samora Machel's bitter attack on President Banda last week. President Machel accused the Malawian Government of hindering Mozambique's liberation.

Arab-EEC pact likely despite Israel link

CAIRO, June 1S.

THE ARAB world and the European Common Market to-day began talks on closer political and economic ties in an atmosphere clouded by a recent EEC trade agreement with Israel.

The head of the Arab delegation said in an opening statement that the Common Market, in signing the agreement with Israel, had given up a means of putting pressure on the Israelis to abandon their occupation of Arab lands.

But despite the ill-feeling in the Arab world at the Common Market decision to give more favourable trade terms to Israel, the Arab-EEC dialogue began amid high hopes on both sides that it would bring economic benefits and enhance political understanding.

The head of the Arab delegation, Jordanian diplomat Najm Eddin Dajani, while criticising the recent EEC agreement with Israel, said the Arabs were interested in establishing special ties with the Common Market.

The head of the European delegation, Mr. Eamonn Gallagher, said the dialogue stemmed from a political will on both sides to create a new and special relationship.

The nine Common Market countries, major victims of the 1973 Arab oil embargo, are seeking to ensure long-term oil supplies and insulate themselves from any possible future use by the Arabs of oil as a political weapon.

Reuter

Fahd in Baghdad talks

BY IHSAN HIJAZI

BEIRUT, June 10.

GULF security is one of the main subjects to be discussed by Saudi Crown Prince Rahd during his current visit to Baghdad, according to informed circles here.

The prince arrived there to-day on the first official visit by a high-ranking member of the Saudi royal family to Iraq since the present Baathist regime came to power seven years ago. The visit has been possible because of policy changes by both the Iraqi and Saudi regimes. The Iraqis have embarked on a moderate and open doors stance regarding the Gulf states which culminated in the Iraqi-Iranian agreement last March to solve their border differences.

Saudi Arabia, under King Khaled, has taken on a role of mediation to settle inter-Arab conflicts. The first Saudi success was in April when King Khalid brought Syrian President Assad and Egyptian President Sadat together in Riyadh.

The Saudi government also mediated in the conflict between Iraq and Syria regarding the sharing of waters of the Euphrates river. Now, Crown Prince Fahd is expected to use his good offices to end the border conflict between Iraq and Kuwait.

Louis Fares reports from Amman: Syrian President Hafez Assad arrived here to-day with a delegation including his Defence Minister. Assad is the first Syrian President to visit Jordan since about 20 years.

Assad, an active advocate of Arab solidarity since the October 1973 war, believes in reactivating the long Jordanian front with Israel. King Hussein responded recently to the appeal during a short visit to Damascus. But observers do not see yet how President Assad will manage to square close co-operation with King Hussein and his recent proposal to the Palestinians to form a joint Syro-Palestinian political and military leadership. The latter will be one of the main topics of the talks.

Romania and India to seek Libyan oil

By D. P. Kumar

NEW DELHI, June 10.

INDIA and Romania have agreed to collaborate to exploring oil in Libya. The agreement was reached after talks between India's petroleum and chemicals minister, Mr. K. D. Malavia, and visiting Romanian deputy foreign minister, Cornel Pascate.

Under an agreement reached earlier with Libya, India is to explore for crude and build "downstream" petrochemical units in that country. During the recent visit of the Libyan oil minister, Mr. Mabzrouk here, he had welcomed the idea of India collaborating with a third country to undertake the exploration. An Indian team of experts has already visited Libya and inspected a 13,000 square mile tract.

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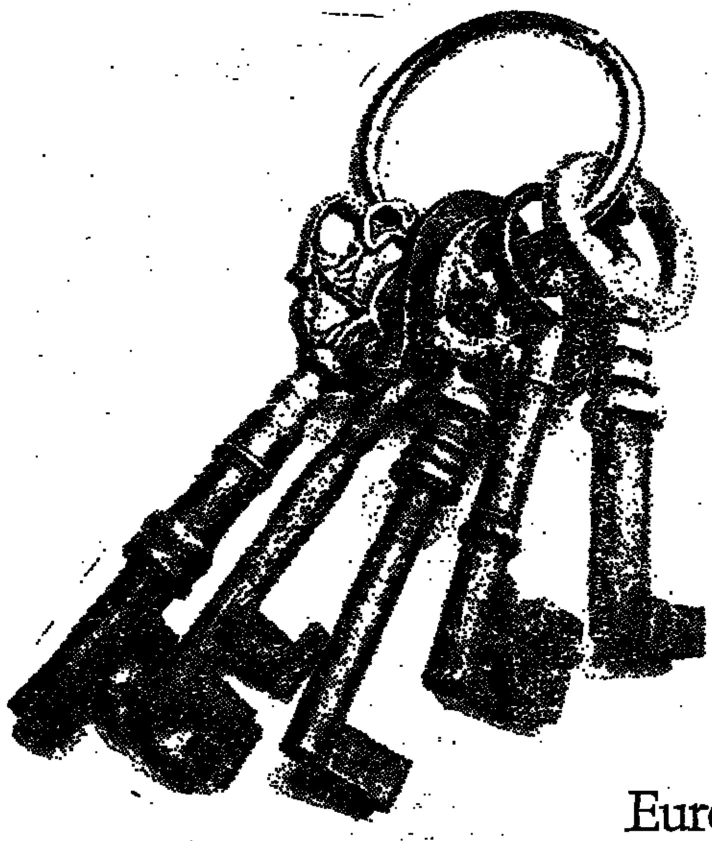

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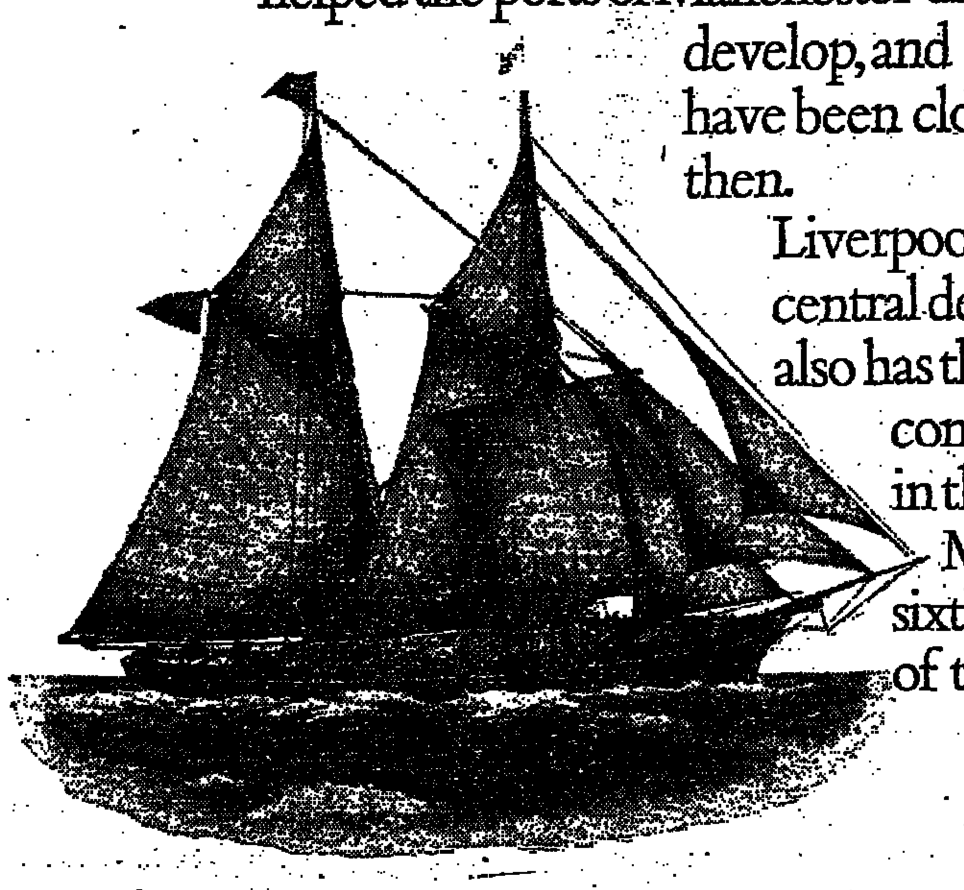

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04.02hrs	Southampton	11.36hrs
11.30hrs	Holyhead	16.07hrs
18.43hrs	Cardiff/Swansea	23.20hrs
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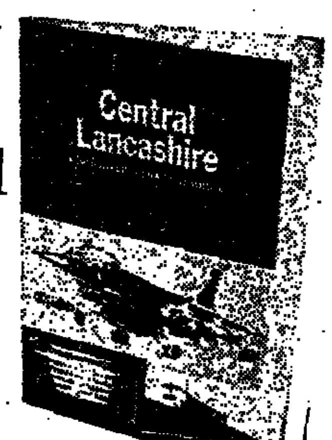

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HOME NEWS

Foreign cars take smaller share of fewer sales

BY MICHAEL CASSELL

NEW CAR sales last month were *the lowest for any May since 1970.* They were, however, marginally better than in the previous month and sales by foreign car manufacturers fell substantially from the record figure achieved in April.

According to the Society of Motor Manufacturers and Traders, total sales in May reached 102,286 compared with 96,235 in April. The figure does, however, represent a drop of 9.25 per cent. on the May, 1974 total of 112,719.

Imported vehicles accounted *for 34.576 sales in May, or just* under 34 per cent. of the total *market, compared with the record* 38 per cent. (36.998 units) recorded in April and 26 per cent. (29.433 units) in May, 1974.

British Leyland's share of the market fell from just under 29 per cent. in April to 26.5 per cent. A year earlier, it was nearly 32 per cent. The Mini stood fourth in the overall U.K. sales league for May, with the Marina and Allegro fifth and sixth. The new 18/22 series came ninth.

Ford raised its market penetration, however, from a little over 18 per cent in April to just beyond 20 per cent., although it stood at over 25 per cent. a year before. The company's Escort was, nevertheless, the best-selling model in May, with the Cortina coming second.

Vauxhall had a good month, with its share of total sales rising from just under 6.5 per cent. in April to more than 11 per cent. *last month, largely because of its* success in selling the new Chevette. The Viva was the third highest-selling car during the month. In May, 1974, the company's total share of the U.K. market stood at 6.6 per cent.

Chrysler, though bottom in the sales league among British car manufacturers, managed to increase its market share from just over 7 per cent. in April to above 8 per cent. in May, although it stood at about 9.5 per cent. a year before. Its best-selling model was the Avenger, in 7th place.

Datsun reclaimed the position as top selling overseas manufacturer from Renault, although its market share fell from 5.9 per cent. in April to 5.7 per cent. in May. According to the SMMT, Japanese car manufacturers have increased their share of the U.K. market by 73 per cent. in the first five months of this year to just over 9 per cent. of all sales, when compared with the same period a year before.

Renault's share fell back from 6.5 per cent. in April to only 3.8 per cent last month. Total imports from EEC countries in the first five months have boosted their overall slice of the market by around 14 per cent. to take 19.25 per cent. of all sales.

The SMMT says that car sales between January and the end of May reached 552,692, only 0.26 per cent. below the same level recorded in the corresponding period of 1974. The import share, *however, rose from 25.2 per cent.* to 32.8 per cent.

Other figures from the SMMT issued yesterday show that car production by U.K. manufacturers in April reached 106,155 units against 115.328 units in the same month a year earlier. In the first four months of 1975, car output totalled 488.462 units against 503.248 in January-April, 1974. Commercial vehicle production in April reached 31,284 units, marginally below the April 1974 total. Commercial output in the first four months of this year was an estimated 139.494 units against 121,280 *units in January-April last year.*

Easter boost to tourist traffic

Some 542,000 foreigners came to the U.K. in March, a rise of 40 per cent. on the same month of 1974. The figure, although encouraging, has been artificially boosted by an earlier Easter—in March this year, in April in 1974.

During the first three months the total number of arrivals from EEC countries was up by 30 per cent., and from the U.S. (less affected by *Easter variations*) down by 1 per cent.

Seasonally adjusted, the figures (which exclude Commonwealth and Irish Republic arrivals) confirm an overall upward trend in recent figures.

Consumer chairman to join NEDC

BY SANDY McLACHLAN

MR. MICHAEL YOUNG, chairman of the National Consumer Council, yesterday announced that he had accepted an invitation to join the National Economic Development Council as an independent member. At the same time, Mr. Young gave details of a three-point plan to hold down prices which he will put forward at future Neddy meetings.

Describing this as "the overriding interest of consumers," Mr. Young said he estimated the cost of freezing the price of essential items covering around a third of the household budget would be £2.25bn. next year. To raise this sum, he is suggesting that the 5½ per cent. National Insurance contribution levied on all incomes above a certain level should be doubled.

The third part of Mr. Young's plan calls for a legally enforced period of wage restraint, and he made it clear yesterday that in his view this three-pronged attack on the problem could only be made to work in the medium to long term.

"This is not a plan which can last a year or so, then be swept aside," he said. "It must last until we have overcome inflation. Four years at least will be needed until the general standard of living can rise again."

Mr. Young *suggests operating* through National Insurance contributions because, he says, this is the only form of Government revenue which can be adjusted quickly enough to deal with the problem before it is too late. He *suggests* the national insurance ceiling on incomes should be raised so that "the better-off pay *their fair share, along with every*body. The very low paid would be free from this burden, and those who fell sick or unemployed and drew their benefits would also be exempt."

Another watchdog spoke yesterday in favour of consumer advice centres.

Mr. John Methven, director-general of Fair Trading, opening a consumer exhibition in Croydon, said that in eight months, Croydon CAC has helped 17,000 people with shopping problems and had managed to obtain almost £29,000 in compensation for consumers at a cost of less than £20,000.

There are now something like 50 CACs in operation. In addition to offering help and advice, they also report to the Office of Fair Trading on complaints against traders.

STUDENT SCHEME BY BARCLAYS

Barclays Bank is introducing a special student cash card for full-time students in further education from August 1. It can be obtained over the counter from branches where students maintain accounts enabling them to cash cheques of up to £10 a day at any of the *bank's 3,070 branches.*

Barclays offers free banking to students and waives commission on overdrafts up to £50. These and other services are described in Barclay's revised booklet "A Students' Guide to Banking."

Benn sees new management-worker power balance

BY OUR LABOUR REPORTER

THE DISCLOSURE of information provisions of the Government's Industry Bill are designed to create a new industrial consensus, Mr. Anthony Wedgwood Benn, Industry Secretary, claimed yesterday, in a speech warning of a "wind of change" which would ultimately blow away the current balance of power between management and workers.

Mr. Wedgwood Benn told an Industrial Society conference in London that the Industry Bill was based on a philosophy of "enlightenment." The powers offered by the legislation to force employers to give information to unions were hedged about with *safeguards but* were clearly intended to produce "a transfer of information on a much greater scale."

The Industry Secretary gave his audience of about 60 personnel managers his analysis of the breakdown of the "old consensus" in British industry. This was having a clear impact on the "credibility and authority of management" and all the evidence of the past 10 years confirmed his view that there was no future "for a society in which power is kept centralised and secret."

"There is a wind of change, borrowing Mr. Macmillan's phrase in South Africa, at gale force blowing through British industry," said Mr. Wedgwood Benn. He added: "I am no more than a weathercock telling you which way it is blowing."

He accused employers of only telling the truth "in the moment of absolute crisis."

But this desire for information has not in the past been satisfied by employers, said Mr. Wedgwood Benn who argued that this was a major reason why the "whole weight" of union activity was exerted on the wages front.

In the face of this need for change in the balance of power in British industry, industrial democracy was a major plank in the Government's industrial policy. "If I got knocked down by a bus as I left the Cafe Royal after this lunch, I don't think anything would be changed."

Disclosure 'will aid competitors'

BY MICHAEL BLANDEN

BRITISH COMPANIES could be at a disadvantage in relation to foreign competitors as a result of the controversial disclosure provisions of the Industry Bill, accountants argue.

A memorandum by the consultative committee of accountancy bodies, representing the leading six accountancy bodies, is strongly critical of the lack of definition of the powers proposed for the Minister to disclose information and the danger of leakage of vital commercial knowledge.

The memorandum argues that "the tendency for unrestricted information to be obtained and extraced by or for other Government departments appears to us to be undesirable, particularly because if such information were used outside its proper context the result might be misleading or misconstrued."

It urges strongly "the curtailment of requirements to publish details or forecasts of future events, and the removal of potential liability for penalties relating to information about future events."

The Bill suggests, the accountants maintain, that "a wide variety of information may be demanded from a very large number of concerns almost without limitation." This information may be furnished to a large number of people including trade unions and Government departments.

The memorandum draws attention to the possible disadvantage of U.K. companies against U.K. subsidiaries of foreign companies, which could probably not be as effectively directed in relation to the amount of information which would need to be supplied. The accountants fear that "carrying on business in public in this way will inhibit management leading to a lack of initiative and enterprise rather than the regeneration of British industry."

They also consider that the limitations relating to the circumstances in which information may be withheld from trade unions by the Minister and the appeal procedures available are "inadequate."

More protection is needed, it concludes, "for those providing the information both by way of greater penalties for its misuse and specific indemnification of directors required to publish information which results in damage to the concern."

Policy of EEC 'to cooperate with developing nations'

FINANCIAL TIMES REPORTER

THE EUROPEAN Community is ready to embark on a deliberate policy of co-operation with developing nations, Mr. Gwyn Morgan, Chef de Cabinet to Mr. George Thomson, EEC Commissioner, says to-day.

"Europe has a vested interest in orderly economic and trading relationships with the less developed world" Mr. Morgan says "and nowhere has this emerged more clearly than in the differing approaches of the Community and of the U.S. towards relationships with oil producing countries."

Writing in a paper* published to-day in London by the Foundation for Business Responsibilities, Mr. Morgan points out that the EEC's reaction to the oil crisis was "to sit round the table together with the oil producers" while the U.S. inclination was "to line up the developed industrial countries in confrontation with the oil producers."

Mr. Morgan says the days of the EEC as "a tight little club pursuing its own self interest" are over. He explains the earlier situation as one in which the Community had to get its own house in order before adopting a more outward-looking position.

Mr. Morgan says the Community's co-operative attitude towards renegotiation with the U.K. "was as good a sign as any that the other member States saw Britain's membership of the Community as their responsibility, and not just Britain's."

As an example of the EEC's more practical approach to things these days, Mr. Morgan cites the fact that the rigid approach to monetary union has been discarded. The move towards monetary union will now be pragmatic "and within the limits of what is practically and politically possible."

* "*European Approaches to Responsibility.*" *Foundation for Business Responsibilities. J. Gwyn Morgan, Chef de Cabinet to Mr. George Thomson, Commission of the European Communities.*

'Overseas operations vital to engineering'

BY KENNETH GOODING

HEAVY ENGINEERING companies will have to turn much more to manufacturing overseas to survive in the long term, Mr. Alan Bird, chief executive of Norcros engineering division, said in Coventry, yesterday.

He was announcing orders worth more than £12.5m. placed with Norcros's heavy engineering subsidiaries.

Butterley Engineering has received three orders from the British Steel Corporation totalling more than £10m. and Adamson-Alliance is to supply four steelworkers' cranes to Australian Iron and Steel at a cost of £2.5m.

Mr. Bird said that over the next five to ten years the developing countries would be intent on becoming more industrialised so as to provide more employment for their own people. They would therefore insist that a great deal more of the heavy capital goods they required be manufactured locally.

This would give British engineering companies the choice of setting up local manufacturing operations or joint companies, or licensing local concerns.

Norcros, Mr. Bird added, preferred the first alternative and was looking at South Africa, Australia and South America to assess possibilities for local production.

Of the orders announced yesterday, the biggest part of the Butterley business is for the supply of distribution conveyors at the Redcar works. This will involve nearly five miles of conveyors and is probably the largest order of its kind ever placed in the U.K.

Airlines warned of commission war danger

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE NEED for the world's airlines to take the initiative in bringing "a semblance of order and discipline into their market place," was stressed yesterday in London by Mr. Knut Hammarskjold, director-general of the International Air Transport Association.

He was commenting on the current "commissions war," that *is taking place, especially* on the North Atlantic, with an increasing number of airlines announcing increases in commissions to travel agents.

This was begun by Pan American World Airways, which earlier this year said that it intended to pay its agents an "incentive bonus" commission of 3 per cent. for all ticket sales above 90 per cent. of last year's level.

This effectively gave the qualifying agents 10½ per cent. commission, since present commission is running at 7½ per cent. Subsequently other airlines notably Trans World, Air-India and Lufthansa, have announced similar schemes for North Atlantic ticket business.

At the end of last week, British Airways stepped into the battle by announcing a commission bonus scheme, retrospective to May 1, that went beyond the Pan Am plan.

The effect will be to give agents doing North Atlantic business about 9 per cent. commission on all BA ticket sales.

Scandinavian Airlines System this week also joined in, with an "option scheme." This gives agents either a 3 per cent. incentive bonues along the lines of the Pan Am plan, or a straight additional payment for each ticke sold, on the British Airways model.

Mr. Hammarskjold, addressing U.K. airline public relations officers and sales managers yesterday, said that formally increasing agents' commissions would not remove the fundamental problems.

"I believe this will merly increase the base from which illegal rebating (ticket discounting) wil commence, and will also increase airline industry costs without any related revenue growth, and with absolutely no benefit tothe public," he declared.

MR. LESLIE GOLDSMITH

Mr. Leslie D. Goldsmith, a director of Associated British Foods, has died after a short illness. He was 60. Mr. Goldsmith joined the ABF Group in 1962. In addition to his overall responsibility for wheat and grain buying for ABF, he was appointed chairman of the group's milling division and a director of ABF in December 1967.

HOME NEWS

New rates rise 'would prompt London exodus'

FINANCIAL TIMES REPORTER

A FURTHER increase in rates next year would prompt an exodus of business from the London area, according to the London Chamber of Commerce and Industry.

Mr. Michael Hughes, chairman of the chamber's council, told yesterday's annual meeting there was evidence that the recent round of rate increases was having a "severe effect" on companies operating in the capital and the south east. Further rises could make many decide to leave. As a result, Mr. Hughes warned, the remaining companies would be faced with even higher rate bills.

The chamber was not against a balanced regional development and, in practice, did more than most to help development areas but it could not make sense for the Government "to deliberately cripple" the country's most important industrial region.

The London chamber had to be ready to speak up more forcefully for business in the London and south east region, and it also had to continue to put the case for profits, said Mr. Hughes. Industry was constantly being told that it had to invest more, but unless it could be encouraged to become more profitable, investment would become increasingly difficult.

Lord Mais, a former Lord Mayor of London, was elected yesterday as the chamber's new president, succeeding Sir Patrick Reilly. Lord Mais is a director of the Royal Bank of Scotland, Sterling Industrial Securities, City of London Insurance and other companies. He served as London's Lord Mayor in 1972-73 and was created a life peer in 1967.

Representing Britain abroad at present is not a pleasant task, our former ambassador in Moscow and Paris, Sir Patrick Reilly, told the meeting. He said the first aim after the referendum was to put our own house in order and restore confidence in Britain abroad. "It would be salutary if we British could see ourselves more as others see us."

"Our persistent economic troubles, our hesitations over the EEC, the mere fact that we could contemplate tearing up a treaty within four years of signing it, make a lamentable impression abroad.

"Yet we are all convinced—I am sure rightly—that this is not the real Britain, and miraculously we still enjoy a fund of goodwill in the rest of Europe."

On the home front, Sir Patrick said, there was no subject on which the chamber needed to speak more loudly than that of the problems of London and the South East. "The chamber believes that the time has come to look again at the whole question of regional policy as it affects industry in London and the South East."

General Motors plans £6.5m. expansion in Scotland

BY CHRIS BAUR, SCOTTISH CORRESPONDENT IN EDINBURGH

ONLY FOUR days after the EEC referendum result, General Motors Corporation has announced plans for a £6.5m. expansion of its two Scottish factories—the largest single investment ever approved by the company in Scotland.

The company says that its decision — which will create between 400-500 new jobs, mainly in Lanarkshire—was not dependant on the outcome of Britain's vote on continued membership of the Common Market, although it was "consoled" by the favourable decision.

Mr. George B. Heaney, chairman and managing director of the Scottish subsidiary, General Motors Scotland, said that commercially the project would probably still have been sound if the vote had gone the other way, provided that tariff barriers had not been raised against the factories' output of heavy earth-moving equipment.

However, during the referendum campaign pro-marketeers consistently argued that Britain's withdrawal from the EEC was likely to endanger the continued flow of American investment on which Scotland has become particularly dependent.

Factory area

On the day of the referendum, a new survey by the Scottish Council (development and industry) showed that during the year to the end of 1973, U.S. manufacturing investment North of the border had risen by £41m. to nearly £268m. and the U.S.-controlled companies now accounted for almost 14 per cent. of total manufacturing employment and nearly one-third of the engineering industry work-force in Scotland.

General Motors will increase its factory area by 137,000 square feet mainly at its Newhouse, Lanarkshire plant, which is the U.K. manufacturing base for its "Terex" range of rear-dumpers, haulers, crawler tractors, loaders and scrapers. There will also be some expansion at its plant at Peterhead, Aberdeenshire, which manufactures gears and gearboxes

Mr. Heaney said that the investment was being made because of the strong continuing upward trend in world sales of earth-moving equipment. An average of 70 per cent. of the company's output was exported. If working capital was included in the present investment, the sum involved was more than £13m.

The new employment, mainly for production machine shop-workers, will occur when the extended plants reach full production after December, 1976. The company employs 1,600 people at Newhouse and 400 at Peterhead. It began operations in Scotland in 1950 and its latest expansion will raise total factory space to over 900,000 square feet.

Honeywell pledge on Scottish operations

By Christopher Lorenz

HONEYWELL "has every intention of staying in Scotland," and hopes that "conditions will permit us to do so," the U.S.-based electronics multinational has told the Government.

This cautious reassurance was given to Lord Beswick, Minister of State for Industry, by Mr. E. W. Spencer, president and chief executive of Honeywell Inc. The corporation's U.K. subsidiary has four Scottish factories employing about 3,000 people.

The Minister's meeting with Mr. Spencer in London this week was arranged after angry Government reaction in November to the company's announcement of a 1,150 cut in the Scottish workforce, of 4,150.

Since April, 800 employees at two control systems plants have been on a four-day week, largely because of the depressed state of the construction industry.

Mr. Spencer told Lord Beswick that the Scottish factories must be cost competitive as well as capital intensive. Honeywell management would work to ensure good industrial relations and looked forward to full co-operation from the unions.

"The greatest assurance of future success for the Scottish factories is a strong and growing British economy with inflation under control," Mr. Spencer said. Honeywell Inc. stood ready to support "satisfactory investment programmes" whenever they were recommended by the British management.

Honeywell's cautious statement on its Scottish operations came hard on the heels of the announcement by NCR, another U.S. electronics group, that weak U.K. and overseas demand was forcing it to reduce its Dundee labour force by 800 in July to about 2,200. At one time NCR employed more than 6,000 people at its Scottish factories.

Supermarkets ex-president is cleared

THE TRIAL of Mr. Frank Brierley, former president of the Brierley supermarket chain, ended yesterday with his acquittal after three weeks of prosecution evidence. Judge Grant, QC, directed the jury to clear him of three handling charges and plotting to receive stolen electrical goods.

Mr. Brierley, aged 61, of Sywell Road, Overstone, near Northampton, was discharged.

Mr. Alfred Goldfine, aged 68, of Hermitage Road, Birmingham, was acquitted of plotting with Brierley to handle stolen goods, three charges of assisting to dispose of stolen goods and one of receiving stolen goods.

Mr. Douglas Davidson, aged 43, a driver whose address was given as care of the Strathmore Hotel, Richmond, Surrey, was acquitted of acting as a director of a London electrical wholesale company, while an undischarged bankrupt.

His trial continues on a charge of plotting to cheat and defraud suppliers of the wholesale firm. He has pleaded not guilty.

National management game semi-finals

By Michael Dixon, Education Correspondent

PLAY starts to-day in the semi-finals of the 1975 National Management Game, which began in January with an entry of 880 teams from all over the country.

The 16 remaining teams, whose "paper" consumer-durable companies overcame a strike to win through the quarter finals, will now compete amid gloomy and worsening economic conditions coupled with price restrictions and shortages of new factory equipment, to decide which four will go forward to the final.

Semi-finalists include teams from Esso Petroleum, GKN Screws and Fasteners, Guardian and Manchester Evening News, Imperial Metal Industries, Littlewoods Organisation, Middleton Building Society, NCB Coal Products, National Westminster Bank, W. E. Norton Holdings, Norwich Union (the 1973 champions), Rank Xerox, Sun Life Assurance, UML, and Unilever's financial group. There are also two privately entered teams.

The final of the computer-based management contest—organised annually by the Financial Times, International Computers and the Institute of Chartered Accountants in England and Wales—will be played in London on July 17. The winning team will receive £500, the championship rose-bowl, and various subsidiary prizes.

This year the organisers are also running a "Plate" competition for teams which were knocked out of the championship proper in the first round. Of the 120 teams which entered this, nine are now left to compete in the semi-finals. The final of the "Plate" will take place in London on July 12, with a first prize of £200.

BA modifies flaps of its 747 jumbos

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is modifying the wing-flap mechanisms of its 17 Boeing 747 jumbo jets to prevent the recurrence of flap failures experienced in recent weeks.

A BA 747 lost part of a starboard inner fore-flap over Prestwick on May 14. This followed an incident over Montreal on March 22 when a BA 747 lost part of a port inner fore-flap. In both cases the incidents occurred when the flaps were extended for landing.

Subsequent investigations by the airline showed that the two incidents were not related. The Prestwick incident was caused by failure of a support bracket and the Montreal incident was because of seizure of part of the flap roller mechanism.

Nevertheless, the airline's engineering department is installing stronger support brackets on all 747 wing-flaps. The airline 747s total 17 and the work is being done as the aircraft come for engineering checks. Most have already been modified.

The speed with which the airline has acted in investigating and finding a cure for the problem stems from the knowledge that past flap problems with jumbo jets have caused much more severe incidents.

A Lufthansa 747 crashed on take-off at Nairobi last year after a leading-edge flap failed to extend properly. The accident resulted in the installation of new warning mechanisms for the pilots of 747s.

There is no question of grounding the 747s. Aircraft not yet modified are being watched carefully, but are expected to be cleared within days.

ART GIFT TO UNIVERSITY

A special building costing over £2m. is to be erected at the University of East Anglia, Norwich, to house an art collection.

The collection, which includes nearly 400 paintings, drawings and sculptures, has been presented to the university by Sir Robert and Lady Sainsbury. They will make a major contribution to the cost of the new building

Effect of EEC decision to be examined

THE EFFECTS upon the European Economic Community of the decision of the British people to stay in Europe, will be examined at a conference, "Europe after the Referendum," at the Burlington Hotel, Dublin, on July 23 and 24. The conference will concentrate on the future of the Europe of the Nine and will lay particular stress on developments in Ireland, Denmark and Great Britain.

Dr. Garret Fitzgerald, Minister for Foreign Affairs, Ireland, and chairman of the Council of Ministers of the European Communities; Mr. George Thomson, member of the Brussels Commission, and Mr. Per Haekkerup, Danish Minister of Economics, will be among the speakers at the conference, which is being organised by the Financial Times, with the Irish Times and Berlingske Tidende.

Mr. Roy Hattersley, Minister of State for Foreign and Commonwealth Affairs, will present a Government view, and Mr. Ralph Bateman, president of the Confederation of British Industry, will give the CBI view of Britain's future in Europe. European monetary and economic union will be discussed by Dr. Rinaldo Ossola, deputy governor, Bank of Italy, and chairman of the deputies of the Group of Ten, and the Community industrial and regional policy will be reviewed by Mr. Justin Keating, Irish Minister for Industry and Commerce.

'Winner' for co-operative

KIRKBY Manufacturing and Engineering Company, the Merseyside workers co-operative hopes to become sole U.K. manufacturers of a new ventilating system.

Mr. Jack Spriggs, senior convener, who led the talks that produced a controversial £3,900,000 Government loan to the co-operative, said yesterday that a deal had been concluded with a Walsall-based company.

The system had been approved by the Department of the Environment. The electrically controlled unit could be fitted easily into any household.

"We reckon we should be on a winner with this," said Mr. Spriggs. "We can see a good export potential and we think it will result in a minimum turnover of about £2m. next year."

Cheque clearings down

BY DONALD MACLEAN

CHEQUES PASSED through the Bankers' Clearing House in May were valued at £147.9bn., or 2.7 per cent. less than in May last year.

The fall came with a 4.4 per cent. reduction, to £132.6bn., in the volume of business in the town department of the clearing, which handles the large-scale financial business of the City.

In the general department, which is concerned with a broader range of economic activity, there was an increase of 15.8 per cent. to £15.3bn. Credit clearings, at the same time, rose 18 per cent. to £1.8bn.

Over the first five months of the year, total cheque clearings showed a gain of 0.4 per cent. with the Town department reporting a cut of 1.1 per cent., while the General recorded an increase of 14.9 per cent. Credit clearings in the four months were 20.4 per cent. up.

INTER-BANK CLEARINGS AT BANKERS' CLEARING HOUSE

	May, 1975 £m.	May, 1974 £m.	Change %
Credit clearing	1,781	1,535	+ 16.0
Debit clearing:			
Town	132,644	138,780	− 4.4
General	15,250	13,166	+ 15.8
Debit total	147,894	151,946	− 2.7
	Jan.-May, 1975 £m.	Jan.-May, 1974 £m.	Change %
Credit clearing	8,800	7,308	+ 20.4
Debit clearing:			
Town	664,580	672,208	− 1.1
General	75,352	65,578	+ 14.9
Debit total	739,932	737,786	+ 0.4

NEW ICI PLANT FOR CLEVELAND

A 3,500 tonnes-a-year choline chloride plant has been commissioned at Billingham, Cleveland, by the Petrochemicals Division of ICI.

The plant contains specialised non-metallic equipment to withstand corrosive conditions and avoid contamination of the feed-grade product.

Index-linked certificates start slowly

By Christopher Hill

SALES of the new index-linked National Savings Certificates for people of retirement age amounted to about £4½m. in the first week, according to the Department for National Savings.

With a permitted maximum investment limit of £500 and an estimated total of 9m. people entitled to subscribe, the figure did not appear high—amounting on average to 50p a pensioner.

ENTERTAINMENT GUIDE

OPERA & BALLET

COVENT GARDEN 240 1911 THE ROYAL OPERA Tonight, Sat. & Mon. 6.30 Die Frau ohne Schatten. Tomor. & Tue. 7.30 Madama Butterfly. Fri. 7 La forza del destino. Seats available except Tuesday.

GLYNDEBOURNE FESTIVAL OPERA. Until August 6 with the London Philharmonic Orchestra. Today, Fri. and Sun. at 5.30 The Cunning Little Vixen (Janacek). Tomorrow and Sat. at 5.15 Yevgeny Onegin (Tchaikovsky). Tks. £11.90 and £10.80. Sat. possible returns only. "Vixen" Tkts. left unsold the previous day sold at 2 for the price of 1. Box Office: Glyndebourne, Lewes (Ringmer 812411) and Ibbs and Tillett, 124, Wigmore St. (01-935 1010.)

SADLER'S WELLS THEATRE, Rosebery Ave., E.C.1. 837 1672. Until June 28 NEDERLANDS DANS THEATER Tonight 7.30: Cathedrale Engloutie Septet Extra, Caterpillar

THE ROYAL BALLET AT BATTERSEA PARK 240 1911 Tonight 7.30, tomor. 2.30 and 7.30: Les Sylphides, Prodigal Son, Elite Syncopations. Fri. 7.30, Sat. 2.30 and 7.30. Mon. 1.30 and 7.30: Coppelia. Tue. 7.30 La Bayadere Side Show, Shukumei, The Concert. Seats avail. Fri., Sat. and Mon. eve. Bkgs. day of perf. at The Royal Opera House until 5 pm then at Battersea Park from 6pm.

THEATRES

ADELPHI THEATRE 01-836 7611. Evgs. 7.30. Mat. Thurs. Sat. 3.00. "JEAN SIMMONS returns in triumph." E.N. HERMIONE GINGOLD "Fabulous woman." D. Mirror JOSS ACKLAND "Beautiful performance." Observer. A LITTLE NIGHT MUSIC "Music That Ravishes The Senses. A Show Kissed With Genius." Guardian.

ALBERY. 836 3878. Red. price prevs. Evenings at 8. Sats. 5 and 8.15 Opens Monday at 7 JUDI DENCH, DANIEL MASSEY THE GAY LORD QUEX with SIAN PHILLIPS Directed by JOHN GIELGUD

ALDWYCH. 836 6404. Return by public demand of Tom Stoppard's award-winning TRAVESTIES "Should on no account whatever be missed." Observer. (Evgs. 7.30. Mat. today and Sat. 2.30). Ends July 12. Recorded booking info. 836 5332.

THEATRES

DUKE OF YORK'S 836 5122. Evs. 8. Sats. 5 & 8.30. Mats. Th. 3. BERYL REID, MALCOLM McDOWELL, RONALD FRASER ENTERTAINING MR. SLOANE From the JOE ORTON Festival Contains not only the funniest seduction scene in modern theatre, but performances from Beryl Reid and Malcolm McDowell that will surely find their way into everyone's 10 best list. Sunday Express.

FORTUNE. 836 2238. Evenings at 8.00. Sats. 5.30 & 8.30. Th. 2.45 red. prices SLEUTH "THE BEST THRILLER EVER." N.Y. Times. 6th GREAT YEAR.

GARRICK. 836 4601. Evgs. 8.0 SHARP. Sat. 5.00 & 8.30. Red. price Wed. 3.00. ROBERT STEPHENS in MURDERER by ANTHONY SHAFFER "BRILLIANT AND EXCITING."

GLOBE THEATRE. 437 1592. BEST PLAY OF THE YEAR Evening Standard Drama Award RONALD PICKUP in THE NORMAN CONQUESTS by ALAN AYCKBOURN TABLE MANNERS Today 3.00. Fri., Mon. 8.15; LIVING TOGETHER Tnt. & Tue. 8.15. Sat. 5.30; R'ND & R'ND THE GARDEN Tomor. 8.15 Sat. 8.30.

GREENWICH. 858 7755. CHARADES. THE KNIGHT OF THE BURNING PESTLE Tnt. 8.0 tmr. 7.0 Subs. 8.0. Mat. Sat. 2.30.

HAYMARKET. 930 9832. Evgs. 7.45. Mat. Wed. 2.30. Sat. 4.30 and 8.00. JOHN CLEMENTS in Ronald Millar-C. P. Snow's THE CASE IN QUESTION "An excellent evening's entertainment. An enthralling story." —Harold Hobson, Sunday Times.

HER MAJESTY'S. 930 6606. Evgs. 8.0. Fri. and Sat. 6.0 and 8.40. HAIR

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30 THE ROCKY HORROR SHOW BEST MUSICAL OF THE YEAR Evening Standard Drama Award '73

LYRIC. 437 3686. Evenings 8.0. Fri. 8.30 Thurs., Sat. 5.00 and 8.30. JOHN PAUL, GEORGE, RINGO ... AND BERT Evening Standard Award— BEST MUSICAL OF THE YEAR Plays and Players Award— BEST MUSICAL OF THE YEAR

CINEMAS

ODEON LEICESTER SQUARE (930 6111). PAPER TIGER (A). Cont. Progs. Wk. 2.00, 3.45, 6.00, 8.15.

ODEON ST. MARTINS LANE (836 0691 1811). Fully Air Cond. Lelouch's AND NOW MY LOVE (X). Sep. Perfs. Wk. 1.00, 4.30, 8.00. Sun. 4.30, 8.00. All seats bkble.

PLAZA 1 & 2 Lower Regent St. All seats bookable. THE GODFATHER PART II (X). Daily, including Sundays. PLAZA 1. Progs. 2.45, 7.30. PLAZA 2. Progs. 2.15, 7.15.

PRINCE CHARLES. Leic. Sq. 437 8181. 9th Sensational Month EMANUELLE (X) Sep. Perfs. Daily (inc. Sun.) 2.45, 6.15, 9.00. Late Show 11.45 Fri. and Sat. Seats Bookable. Licensed Bar.

SCENE 2. Leic. Sq. (Wardour St.) 439 4470. Cont. Perfs. Dly. from 12.30. Late show 12.05 (inc. Sun.). YOUNG FRANKENSTEIN (AA). Progs. 12.30, 2.45, 5.05, 7.25, 9.45, 12.05.

SCENE 3. Leic. Sq. (Wardour St.). 439 4470. THE TOWERING INFERNO (A). Sep. Perfs. Daily (inc. Sun.) 2.00, 5.20, 8.40. Special Late Shows 11.45 Nightly. A BIGGER SPLASH (X) Seats Bookable.

SCENE 4. Leic. Sq. (Wardour St.) 439 4470. 2nd YEAR. The "Film Everybody's Talking About." THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.30, 3.00, 6.15, 9.00, 11.30. Box Office open Daily 10-8. Sun. 12-8. Seats bookable all perfs.

WARNER WEST END Leicester Square. Tel: 439 0791 1. UPTOWN SATURDAY NIGHT (A). Cont. Progs. Wk. 2.00, 4.10, 6.20, 8.40 2. Steve McQueen, Paul Newman THE TOWERING INFERNO (A). Sep. Perfs. 1.15, 4.35, 8.05. £1.60 seats bookable 3. Jack Lemmon, Anne Bancroft THE PRISONER OF 2ND AVENUE (A). Sep. Perfs. 2.30, 5.30, 8.30. All Seats bkble. LAST DAY.

ART GALLERIES

OMELL GALLERIES, 40, Albemarle Street, Piccadilly, W.1. 20th-Century British and European Paintings and large selection of Maritime pictures. Realistic prices. 4Gallery Booklets £1 pft. in aid of R.N.L.I. and R.N.I.B.)

LORD METHUEN (1886-1974). Memorial Exhibition. Fieldborne Galleries, 63, Queen's Grove, N.W.8. 01-485 3800.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

In search of invisible stars

PHYSICISTS and astronomers in the Netherlands have scored a significant coup with IRAS, a satellite which is going to map the sky in the far intra-red to detect the presence of "stars" so cool that they no longer emit visible light.

This has not been attempted so far, even by America's NASA. The techniques are particularly difficult and even involve the blasting aloft (into a 1,400 mile orbit) of an immense vacuum flask containing 200 kilograms of liquid helium at a temperature of only 2 degrees absolute.

This helium is needed to cool the sensitive detector and is enough to last for at least a year. The detector will be used to map the sky as the IRAS satellite moves on its orbit. It is expected to reveal the presence of some 40,000 objects per square degree, opening up an entirely new branch of astronomy since the black stars it will find represent about half the total energy emission (between 50 and 300 degrees absolute) of the whole cosmos.

Fokker's involvement stems from the consideration that all major aerospace companies are involved in satellite work which brings to participants a fresh view of international collaboration, team management and quality control.

Data feed-back

Aerospace teams within the company have close contacts with their peers in other countries, especially the U.S. (NASA) and are feeding back valuable data into everyday manufacturing techniques since they are continually working at the frontiers of knowledge.

One of the reasons why the IRAS job has gone to the Netherlands is the success under great difficulties it has achieved with the first Netherlands satellite ANS. This unit went into a 200/1,000-mile orbit rather than the 450/500 mile one planned and has suffered radiation damage.

But NASA is beginning to show very keen interest in the Fokker ideas and a meeting is scheduled for July with a view to close collaboration.

ANS, in particular, can be pointed much more accurately (about four times) than a comparable U.S. satellite and the same system will be used with IRAS.

Still several years away is an agricultural resources satellite which is planned to yield data on a country's crops and forests only to that country which will had a coded key to trigger data transmission covering the relevant territory.

Ground stations will be needed which is one of the reasons why Philips is involved.

All three satellites are distinguished by the way in which the mass of data which they pick up is given a preliminary concentration so that ground staff have much less interpretative work to do.

Efficiency of turbines improved

A POTENTIAL boost in the efficiency of marine gas turbines, ultimately equivalent in fuel savings to one trip across the Atlantic in every 12 voyages—may result from several technical advances announced by General Electric Company of the U.S. research staff.

The improvement is one result of a five-year contract, now nearing completion, from the U.S. Commerce Department's Maritime Administration (MARAD). Major goal of the project was to solve the problems associated with the combustion in high temperature gas turbines of Bunker C fuel oil, a thick tar-like petroleum product.

Results to date include a potential 200 degrees F increase in gas turbine firing temperatures, with an attendant 8 per cent. jump in turbine efficiency—made possible by the development of improved methods of removing harmful deposits and new approaches to combating hot corrosion.

Work on Bunker C fuel has been conducted by GE at its gas turbine products division, its research and development centre, and its steam turbine-generator products division materials and processes laboratory.

Bunker C, the "dregs" of the petroleum distillation process, has been burned for years in marine steam power plants. It is relatively inexpensive and available at many seaports throughout the world.

However, its disadvantage is that it often contains amounts of vanadium, sodium and sulphur, which are potentially harmful to gas turbines. Inside a turbine, where operating temperatures usually exceed 1500 degrees F, impurities in Bunker C combine with other elements in the airstream to form harmful deposits as well as highly corrosive compounds that attack the metal parts of the machine.

Work has concentrated on understanding the hot corrosion and deposit phenomena, demonstrating new operating procedures to circumvent these problems and develop new coating procedures to protect turbine materials against hot corrosion attack.

Normally, magnesium compounds must be added to Bunker C to counteract the highly corrosive effects of the vanadium it contains. The magnesium also combines with the sulphur already present in the fuel to form magnesium-sulphur deposits. At low turbine firing temperatures, these deposits build up slowly and are easily removed.

When turbine firing temperatures are increased by as little as 100 degrees F, deposits accumulate more rapidly and become more difficult to remove. As turbine firing temperatures were raised still higher, an entirely different deposit problem was found within the turbine. Magnesium combined with oxygen in the airstream to form extremely hard magnesium oxide deposits that were very difficult to remove.

After numerous experiments, the GE team developed techniques that cause the magnesium-oxide deposits to flake away in tiny particles, harmlessly expelled by the turbine's exhaust.

Another phase of the GE project tackled a related problem — the destruction of turbine parts by hot corrosion at elevated firing temperatures. This occurs when sodium, present as an impurity in Bunker C, combines with oxygen and sulphur to form highly corrosive chemical compounds. The problem is compounded by inefficient combustion that results in soot deposits on the hot turbine parts. But materials with the best corrosion resistance are not as strong as desirable.

As a result, the research team turned to the use of various coatings or claddings to improve the abilty of mechanically strong turbine alloys to withstand hot corrosion.

GE Research Laboratory, Schenectady, New York, U.S.

● PACKAGING

Substitute for carton board

A FILLED plastics material called Kartothene intended as an alternative to paper and board has been developed by John Waddington in conjunction with ICI.

A specific outcome of its use claims John Waddington, would be less dependence by the U.K. on imported materials—some 3.5m. tons of carton board worth £800m. were brought into the U.K. in 1970.

Kartothene is a mixture of 60 per cent. Propathene (ICI's polypropylene) and 40 per cent. talc and has the main advantages that it can be printed and folded in the same way as conventional packaging materials and shaped by thermoforming as well.

Very much tougher than paper or board, it is also totally impervious to moisture and will, claims Waddington, offer distinct advantages in packaging where plastic coated boards are now used: ice cream, edible fats, frozen food, horticultural products, animal feed additives and cosmetics.

The companies will be able to arrange for the installation of plants for thermoforming and folding carton production, and ICI says it will ensure continuity of materials supply.

Used on thermoforming machines developed by John Waddington high production speeds can be obtained and the resulting products are claimed to be non-tainting, non-toxic, of very high moisture vapour resistance and resistant to temperatures exceeding 130 deg. C. They are also not subject to environmental stress cracking in the presence of fats, and do not crack when refrigerated.

The material has "dead fold" qualities and handles like carton board on conventional and high speed carton making lines. It has, of course, no fibre orientation. It can be heat sealed, is dimensionally stable and is easily embossed.

Specific gravity is about 1.2 (cardboard is 0.8 to 1.0) and combined with the high strength Waddington has found that material thickness can be 25 per cent. less than board for the same job.

The recovery of scrap material is claimed to be very much simpler and less expensive than the re-pulping of analogous cardboard and paper scrap.

● PROCESSES

Plastics separated from refuse

RECENTLY DEVELOPED in Japan by Mitsui Mining and Smelting Company is a continuous separation process based on flotation which will allow plastics contained in domestic refuse to be reclaimed.

It is based on the Japanese company's experience of flotation systems for the separation of minerals and metal ores.

Most plastics are resistant to water (hydrophobic) but certain wetting agents, it is claimed, can make them hydrophilic to an extent dependent on the nature of the material. The result is that the concentration of air bubbles that will adhere to the surface when immersed in an aqueous medium can be controlled quite specifically and differentially by careful selection of the wetting agent and its concentration.

It is claimed that the process, known as the Mesco system, can separate plastics waste from refuse, pvc from other plastics, and plastics from paper. Also possible are separations of one plastics material from another, even when they have similar properties and densities.

Examples quoted are polypropylene from polyethylene, high density polyethylese from low density, polyester from cellulose triacetate, and even polyethylene from polyethylene coated paper.

Equipment consists of a series of cells with a counter-current flow system and the process is fully automatic and compact. The aqueous separating medium is re-cycled continuously, giving no pollution problem.

The standard model MPS 600 has six cells 600 x 600 x 900 mm. and is said to be able to separate plastics waste at about 300 kg/hr. with an efficiency of 95 to 96 per cent. and at a cost of between one and nine pence per kilogramme of throughput. The equipment cost is in the £50,000 region.

Acceptability of the equipment is likely to depend on the seriousness of the problem faced by local authorities or industrialists in disposing of plastics coupled with the value attaching to plastics waste (suitably separated) as a material for fabricating further industrial products, or proper re-cycling.

Contaminated and mixed plastics are already being used to make items such as fencing posts, cable drums and wood-like products. U.K. enquiries to E. G. Fisher, 4 Palace Court, Bayswater Road, London W2 4HR (01-229 9121).

● POWER

Highest dc power system

MANITOBA Hydro's Nelson River dc transmission scheme now has its equipment in operation at the full rated voltage of 450 kV. This makes it the highest voltage direct current link in the world. The Power Transmission Division of GEC Switchgear, Stafford, supplied the electrical equipment for the conversion stations of the scheme.

The Nelson River Link exploits hydro-electric resources in the north of Manitoba and provides a main source of power for the Province's electrical supply network. The first phase of the development, now nearing completion, involves a transmission capability of 1620MW. Power is generated as ac at the Kettle hydro-electric station on the Nelson River, is converted to dc at the adjacent Radissen terminal station and is transmitted 560 miles by overhead lines to the Dorsey terminal near Winnipeg. Here it is converted back into ac and fed into the main Manitoba system.

Each terminal is designed for six 270MW, 150kV converter valve groups connected in series to give bipolar transmission at +450kV and −450kV dc. The link entered commercial service in 1972 with three valve groups per station in accordance with a programme in which further converter equipment is progressively added to match the build-up in generation. Since 1973, operation has been with four valve groups having a transmission capability of 1080MW. These included a complete 450kV pole of the ultimate bipolar system but until now the link has been transmitting in a temporary mode at 300kV. Reconnection of the circuit into its final form has now been effected so as to give the full 450kV on one pole with +150kV on the other. The remaining two valve groups now under construction at the GEC Stafford Works will bring this second pole up to +450kv.

The Nelson River dc transmission accounted for one half of Manitoba's electricity supply in 1974.

● SAFETY

Timber door fire test

THE TIMBER Research and Development Association (TRADA) has carried out a half-hour fire resistance test to BS 476 : Part 8, on a standard softwood stile and rail type door with wired glass infill panels secured in Marinite/TRADA Firecheck Channel.

As a result of the test, a pair of doors to this specification have been awarded a certificate for 39 minutes fire resistance. This means that this type of door can be specified where there is a requirement for full half-hour fire resistance and where full glazing is desirable.

A manufacturer wishing to produce these doors can obtain from TRADA a complete specification and a fire test certificate applicable to this design for a fee of £25 (£35 to non-TRADA members).

● HANDLING

Moves work from bath to bath

A CANTILEVER design of work transporter for automatic plating lines is offered by Cirquip R and D, Ramsey Road, Leamington Spa, Warwicks (0926 28451).

The mass of the transporter has been kept as near to the running track as possible, minimising any tendency to sway, particularly when the unit starts and stops. Precise stopping is effected by electrical braking to a slow speed before the application of a positive dc magnetic brake.

The maximum load for the transporter is 230 lb and several can be used on the same track. Tanks up to 1.8 m (72 inches) wide and deep can be operated and the maximum traversing speed is 27 m/min (90 feet/min). Hoisting is at 11 m/min (36 feet/min). To give a signal at each station a series of limit switches is installed along the length of the line and the position of each can be altered.

To reduce corrosive effects the frame is of square section steel with a thick coating of pvc and the running track is stainless steel tube. The carriage of the transporter runs on plastic wheels with sealed bearings.

● BINDING

Stitching not needed

AN ATTACHMENT for almost any type of folding machine which could revolutionise the whole concept of pamphlet binding is the Opimatic F-1 Gold Glue Applicator, introduced by Planax Binding Systems.

An electronically controlled glue head lays a thin stripe of quicksetting adhesive along the centre of each sheet as it is transported over the bed of the folding machine. When the sheet has been folded, the result is a securely bound pamphlet or brochure, without the need for subsequent wire stitching. Time is thus saved that would normally be taken to transfer the folded sheets to a second machine and to insert the usual two wires. Thus there is a big cut in labour costs.

The fitting of an Opimatic unit does not affect the rated output of a folding machine and production is governed only by the speed of the machine itself and the aptitude of the operator, the designers claim.

Any standard imposition of four pages backed by four, six backed by six, or eight backed by eight can be handled. The nozzle on the head can be finely adjusted and it opens automatically to emit just the required amount of adhesive when the leading edge of the sheet passes beneath a photo-electric eye. The nozzle immediately closes again when the trailing edge passes this, preventing unwanted adhesive on the bed of the folding machine or being set off on the underside of the following sheet.

For an effective binding, adhesive is not required along the whole length of the sheet and the position of the sensor can be varied so that adhesive is laid only along half, two-thirds or three-quarters of the centre line of the sheet.

Planax is at 15, Cheam Road, Sutton, Surrey, (01-643 4441.)

● COMPUTERS

New type of machine for Europe centre

THOUGH five manufacturers have been invited to get ready to receive tender documents later this year bidding for the central computing power of the new European Centre for Medium Range Weather Forecasting, there are indications that the parties concerned would be happiest were the order to be finally placed with a European manufacturer.

The five manufacturers concerned are CDC, Cray Research, Texas Instruments, IBM and ICL. As only one of these is not American, the implications are obvious. The list is confined to these five as they are the only manufacturers credited with array processor development experience, and an array processor is going to be at the heart of the complex—why Honeywell is left out is not known.

However, it is known that much of the computing load for the centre will require the use of very large, fast conventional processors, so this could cut the list of contenders to three: IBM, CDC and ICL.

IBM is in the list because of development work on arrays, both for the extinct FS line, and in its search for a new large system. However, the work has all been done in the U.S.

Recent work

The ICL work, by contrast, is much more recent, indeed the array is currently under construction. It is a 32 by 32 processor array, giving 1024 processing units. The development work is paid for half by ICL and half by the Department of Industry's ACTP programme, to a total cost so far of £130,000. The system is expected to be up and running around the time the order is to be placed.

The array is not by any means as large as will be required: it is expected that an array of around 100 by 100 or ten thousand processors will be demanded. However, the initial research studies made it quite clear that ICL saw no insuperable difficulty in going well beyond this.

Though there have been proposals for large array systems in the States, the ICL machine is the first to get to the stage where a pilot model is being built. There is talk of other possible orders for it.

One factor in ICL getting the order is the urgency with which the development is progressed. The project has been controversial within ICL since it started, within management there are some who believe that the resources would be better devoted to the development of the 2900's.

However, as the unit is being made it seems clear that whoever provides an array will also have to provide conventional computing power, that one is tied to the other, and that the Centre is essentially talking in terms of having the most powerful installation in Europe. The attraction could well be nigh irresistible, for ICL is the only European manufacturer with an array under development.

Whatever system is selected is expected to be ready for installation in early 1978.

هكذا من الأصل

PARLIAMENT

Manifesto row over Ministers as members

By Richard Evans, Lobby Correspondent

A DISPUTE has broken out in the Manifesto Group — the moderate counterpart of the Left-wing Tribunites — over whether senior Ministers should be allowed to join.

The group was set up by about 70 backbenchers last year to counter the pressure exerted inside the Parliamentary Labour Party by the Left wing.

But at a lunchtime meeting at the London home of Mr. William Rodgers, Minister of State, Defence, on Monday some moderate senior Ministers advocated their own membership to give the group more push at a crucial time in Labour Party politics.

Backbench members of the group resent the interference of what they regard as an "elitist band." They are also critical of some moderate Ministers for not giving them more public support before the referendum when the Left was in the ascendency.

The group meets to-night when one item on the agenda will be the method for choosing the party's delegation to the European Parliament at Strasbourg. The group wants to make certain that it is adequately represented.

Doctors—and their duty to U.K.: Minister

DOCTORS WHO emigrated should be told of the duty they owed to this country for their training costs, Social Services Secretary, Mrs. Barbara Castle, said in the Commons yesterday.

Mrs. Castle told Mr. Bryan Davies (Lab Enfield N) that the cost of training a doctor to qualification was about £28,000. "The capital cost of providing a new medical school place is about £12,500, not counting the NHS hospital facilities."

She agreed that the figures justified her policy of strengthening the NHS, as against private practice.

Dr. Gerard Vaughan (C Reading S) asked what Mrs. Castle intended to do about "persuading" doctors not to emigrate.

Mrs. Castle: "I am suprised to hear you so anxious to accept certain doctors' lack of patriotism." She thought he would have called on doctors "to discharge the duty they owed to this country in terms of their training cost."

Self-employed suffer 'vindictive' tax—Howe

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE NEXT Tory Government will ensure a "fair" tax deal for the self-employed by removing the "vindictive" element of the present provisions for National Insurance contributions, Sir Geoffrey Howe, "shadow" Chancellor, promised in the Commons yesterday.

Both the Tories and the Liberals stepped up the attack on the recently imposed increased contributions required of the self-employed when debate was resumed on the committee stage of the Finance Bill.

Mr. Robert Sheldon, Minister of State, Treasury, defending the present rates of contribution as reasonable and fair, nevertheless acknowledged that the situation needed review.

He pointed out that the inquiry announced by Mrs. Barbara Castle, Social Services Secretary, on the whole question of national insurance contributions of the self-employed was now in operation. "And we hope to have an interim report by the autumn," the Minister added.

But this assurance did not impress the Opposition.

Moving an amendment to make part of the social security contributions of the self-employed tax-deductible, Sir Geoffrey said that the Government was imposing an increasingly intolerable burden in a vindictive way on all those who worked for themselves.

Under the Bill, the self-employed person with an income at or above £69 a week would be obliged this year to pay a lump sum of £160 out of his taxed earnings. He would therefore have to find an extra £238 simply to maintain his income.

Sir Geoffrey said that the burden would fall upon everyone who earned a modest weekly sum. "It will affect barbers to book-binders, shopkeepers to solicitors, doctors to dentists, writers to window cleaners, pharmacists to farmers."

The employed person earning £60 a week would have to pay 6.8 per cent. more in social security contributions under the Bill, but the self-employed would have to pay 138.7 per cent. more.

"We have established a watch-dog group to guard the interests of the self-employed. We gave a pledge in the manifesto for the last election that we would take steps to remedy the present injustices."

SIR GEOFFREY HOWE
"We pledge to remedy injustices"

Mr. George Cunningham (Lab. Islington S and Finsbury) said he would welcome a return to contributions by the self-employed and employees being tax-deductible, if the self-employed paid the true actuarial cost of the benefits they received.

"The truth is that the self-employed contributor gets in return for his contribution benefits in excess of what he is paying for."

Mr. Enoch Powell (UUU Down S) said the sponsors of the amendment were using the wrong approach. "The amendments would reduce the contributions of the self-employed not by a flat rate percentage, but by a sum related to the top rate of taxation.

"In this case, we are arguing not that all contributions should be allowable against tax, but that one of the contributions has been fixed at too high a percentage."

Mr. Powell said it was generally recognised that the so-called insurance contributions were really taxes. "We shall all do better if we treat them as taxes, which is what they really are."

Mr. John Pardoe (L. Cornwall N) attacked the "ludicrous fiction" which implied to the average man that there was some relationship between what he paid and what he got.

The "insurance fiction" should be abandoned and national insurance expenditure should be financed out of taxation to make an honest man of the system.

The Minister of State, Treasury, Mr. Robert Sheldon, said he understood the intention of the amendment to be that there should be tax relief to the self-employed for their part of what corresponded to the employer's share of the employee's national insurance contributions.

Under the Bill contributions were to be calculated on the basis of 9 per cent. of the assessed profit lying within the band of £1,600 to £3,600 and this meant a maximum extra contribution of £160.

This was not all that dissimilar to the Conservative scheme and so the excess of antagonism was something he found very hard to understand—except on the basis of political pressure from certain people within the Conservative party.

Opposition Treasury spokesman Mr. John Nott said that this was not an expensive amendment and it must seem overwhelmingly fair to all reasonable men, not just Lord George-Brown in the House of Lords and other members of the Labour party, such as Baroness Burton and Lord Houghton.

Under the Bill the contribution of an employed man earning £50 a week would fall by about 5 per cent. whereas the contribution of the self-employed man earning the same sum would go up by 9 per cent.

"It is the scale and suddeness of the increase which really does not have any foundation in equity at all." The amendment was defeated by 224 to 199, Government majority 25.

Wilson resists Tory 'promptings' to change his European script

BY PHILIP RAWSTORNE

MR. HAROLD WILSON did not lack for advice in the Commons yesterday on how he should set about playing his full and constructive role on the European stage.

The Prime Minister had scarcely entered the Chamber before he was being prompted, directed and coached into a variety of political postures.

Mrs. Margaret Thatcher, the Tory leader, snappily suggested that he might begin by asking his EEC partners how they had managed to reduce their rates of inflation. The Wilson "pound in the pocket" performance had been less than enthralling, she said, to cheers.

Other EEC Governments did not have Oppositions putting forward inflationary policies every day of the week, retorted Mr. Wilson.

But they did have effective heads of Government who could take action, countered Mrs. Thatcher. And more unemployment and lower levels of production, responded the Prime Minister.

After that sharp duet, several impatient Tory critics suggested that Mr. Wilson could never play a credible part in the EEC until he had made some changes in his supporting cast of Government Ministers.

Mr. Tim Renton (Mid. Sussex) and Mr. Robert McCrindle (Brentwood and Ongar), amid groans from the Labour benches, said that the continued presence of Mr. Benn, Mr. Shore and Mr. Varley might placate the Left-wing but would hardly reassure the European audience.

The Community had a rather clearer outlook on the situation, Mr. Wilson replied. And, taking a dim view of the persistence of Mr. Peter Hordern (Horsham and Crawley), perkily advised him not to "become more of a bore than the Almighty originally made you."

Mr. Dennis Canavan, seeking some reassurance for the Labour Left, counselled the Prime Minister against interpreting the referendum result as some minorities had done as a victory for coalition, statutory wage freezes, separatism and opponents of "some of our most successful Socialist Ministers."

Mr. Wilson happily confirmed that he had read none of that in his ballot paper—"though perhaps we could be forgiven for taking the view that it has been a repudiation of one very noisy faction north of the Border."

Taking the cue, Mrs. Margaret Bain proclaimed the SNP's demands for separate representation in the Community and was rewarded with laughter.

Whatever place in the EEC was given to the Scots, Mr. James Wellbeloved, (Lab., Erith and Crayford), urged Mr. Wilson to temper mercy with justice after the "decisive referendum revolt . . . er . . . result" and consign a fair number of ex-anti-Marketeers to the European Parliament.

It was the only reasonable advice he had heard all afternoon, Mr. Wilson assented.

Company secrets at risk—Tories

BY JOHN HUNT

THE PROCEDURES laid down in the Industry Bill would "blow wide open" the whole confidentiality of company information, Mr. Michael Heseltine, "shadow" Industry Secretary, claimed yesterday.

The Conservatives, renewing their attacks during the committee stage of the Bill, strongly criticised the appeals procedure which it sets up for dealing with cases where companies contest orders to divulge information to trade unions.

For the Government, Mr. Michael Meacher, Under-Secretary for Industry, reaffirmed that when an appeal is held before the Central Arbitration Committee (CAC) the unions would only be given a general outline of the information in question.

But Mr. Heseltine objected that the union might then take the matter to a court of law where the information would be made public and there would be no question of maintaining confidentiality.

Mr. Meacher agreed that in theory a union could take the case to court but said that, in practice, this would rarely happen. He promised to make a further statement at a later date clarifying this point.

Delays

According to Mr. Heseltine, many unions were extremely responsible but there were some who could not be so described by any stretch of the imagination. He claimed that many unions were prepared to do the utmost harm to their companies, their industry and the country.

For such people, he said, the Government had charted a course along which they could go to ensure that any piece of confidential information could be exposed. This would be done through the time delaying machinery of a court of law and illustrated the "derisory" nature of the whole procedure.

Mr. Meacher counter attacked by saying that it was nonsense to talk about delays being created in this way. To cries of protest, he accused the Tories of unnecessarily holding up the committee stage of the Bill. It was clear, he said, that the Opposition now had no serious intention of working to complete the Bill in committee.

The Conservatives also strongly attacked the fact that the CAC was not being set up under the Industry Bill but came under the Employment Protection Bill, which is also being considered by a Commons standing committee. They claimed that this meant they were unable to put down amendments dealing with the CAC.

Mr. John Stanley (Tonbridge and Malling), opening the Conservative attack, said that this was unacceptable as a Parliamentary method of proceeding.

He also criticised the powers which the Industry Bill gives to the Secretary of State to appoint the appeals body and to set up further appeals committees if he thinks fit. Mr. Stanley said that this gave the Government "open ended" powers which he did not wish to see in any legislation.

The Conservatives proposed a new clause which would avoid the use of the CAC and establish a legal tribunal to hear appeals against the information requirements of the Bill. This will be voted on later during the committee stage.

Mr. Stanley argued that there was a need for a truly independent appeals body operated as part of the judiciary instead of the proposed procedure which was merely an extension of the executive.

Opposition peers win by 37 on Development Agency powers

THE GOVERNMENT was defeated by 37 votes in the Lords yesterday when peers carried an Opposition move to limit the powers of the proposed Scottish Development Agency.

Voting was 91 to 54 on a Tory amendment which removes from the Scottish Development Agency (No. 2) Bill the agency's power to establish and carry on industrial undertakings independently or jointly with others.

Former Conservative Scottish Secretary, Lord Campbell of Croy, had warned of the danger of "back door Bennery" which he said was signalled by the similarity between the Scottish Bill and the Industry Bill.

"The Bill sets up the agency to "further the development of Scotland's economy and improve its environment."

Lord Campbell said that Conservatives favoured the establishment of a new Scottish body to help and stimulate industrial development which could also be the means for dispensing money from the EEC Regional Fund.

"But what is proposed in this Bill goes far beyond what would be required. The Bill would equip the agency so that it is the means of extending public ownership as deliberate policy. The effect would be to alarm and antagonise Scottish industry rather than to assist it."

The Government was presenting the agency in the guise of a "harmless and benign creature, but comparison of it with the Industry Bill, now in the Commons, revealed identical wording in many important places. This agency does not need to have carnivorous claws and we shall be more successful if they are clipped."

Lord Taylor of Gryfe said that businessmen in Scotland were alarmed at the prospect of a continued degeneration of the economy. The agency could inject a new life and vitality and encourage new investment.

Lord Strathclyde (C.) said that two of the large Clyde shipyards, with full order books, were to be taken over under the terms of the Industry Bill.

"These two firms, alone, are doing well and I really am frightened about what will happen to cur country if we go on here with further State intervention in industry."

The Minister of State, Scottish Office, Lord Hughes, replied that similar powers to those proposed for the agency had been effectively used by the Highlands and Islands Development Board.

The Bill would be emasculated by the amendment and it would be the Government's intention to restore the Bill to its unamended form, said Lord Hughes.

"This part of the Bill is fundamental and wanted not only by Labour MPs but by those who know that more needs to be done along these lines if Scotland is to have a viable industrial structure."

European State industries to discuss Government relations

FINANCIAL TIMES REPORTER

THE ISSUES which the heads of Britain's nationalised industries want to raise with the Prime Minister about their relations with Government are likely to be ventilated next week within a European forum.

The European Centre of Public Enterprise, of which 11 British nationalised industries are members, will discuss the extent to which public enterprise undertakings should reflect the policies of Government or pursue commercial ends at its two-yearly congress to be held in London next week.

Sir Derek Ezra, chairman of the National Coal Board and chairman of the British section of the organisation, said in London yesterday that the main issues faced by public enterprise in the U.K. were similar to those found in other countries of the European Economic Community.

"We will glean some quite useful points of view from our colleagues on the Continent," he said.

The question of relations between Britain's state-owned industries and the Government came to a head with the confrontation between Mr. Anthony Wedgewood Benn, the Industry Secretary, and Sir Monty Finniston, chairman of the British Steel Corporation, over the threatened loss of 20,000 jobs within the steel industry.

The Prime Minister has agreed to meet a delegation representing the heads of the nationalised industries, but the date of the meeting has to be fixed.

Sir Derek said yesterday that the "resounding referendum vote of the British epople" had lent an added significance to the congress.

Through CEEP, the public sector had long had a voice within Community councils as the organisation was consulted on policy proposals together with bodies representing trade unions and private industry.

Membership of the EEC had extended the "area of manouevre" of the nationalised industries. They could now influence polices which went far beyond national boundaries, and also faced much better opportunities for developing markets and for raising finance.

Disco deaf at 35—Peer

MANY YOUNG people would be deaf by the age of 35 because of the cacophony of sound from discotheques and indoor pop music," Lord Clifford of Chudleigh said in the Lords yesterday.

Many of his generation had a form of deafness "because of things which were too close going bang 30 years ago."

Lord Segal (Lab.) had asked how many lip-reading centres were operating in the United Kingdom.

Government spokesman Lord Wells-Pestell said a precise answer could not be given.

Raleigh Industries pedals back to full-time work

BY PETER CARTWRIGHT

RALEIGH INDUSTRIES, the Tube Investment bicycle maker, expects to make a rapid recovery from the three-day week imposed for the past month at Carlton Cycles, Worksop, Notts., which employs 350 making specialist hand-built sports machines.

The cutback in the U.S. market, now taking only about half the former 500,000 U.K. units a year, has taken particular toll of the Carlton sports machines, which are in the £150-£250 bracket.

The downturn in America was foreseen last September and general dispositions were made to meet this shortfall. A new range of Carlton machines is about to be launched on the U.K. market, where demand is currently running at the 1959 record level of around 1m. units annually. Efforts are also being intensified to improve exports to key markets in West Africa and elsewhere.

"In spite of the short-time at Carlton, Raleigh has not been hit anything liks as hard by the U.S. recession as some of its Continental competitors," a TI spokesman said. "They do not have our wide availability of world markets."

More than 130 workers are to lose their jobs when a Suffolk mushroom farm closes down next month. Employees of the Valley Farm Mushroom Company at Stradbrook, have been told that the plant will continue on a maintenance basis in the hope that an upsurge in the economy will make it viable at a later date.

In them eantime, the company will concentrate production at its plant in Stanton, in West Suffolk.

Falling orders throughout the world for printing presses have hit Crabtree Vickers, the Leeds-based press manufacturing branch of Vickers engineering group. Yesterday they announced that 70 employees would have to take redundancy. Discussions are being held with the engineering industry unions to arrange the redundancies, which will be spread over three Leeds area factories.

Twenty three of the lost jobs will be covered by overdue retirements, early retirements or transfers to other Vickers divisions in Yorkshire. The Leeds company employs almost 2,000 people.

MP wants anonymity for rape victims

THE COMMONS yesterday gave an unopposed first reading to the Rape (Anonymity of Victims) Bill, introduced by Mr. Petre Crowder (C, Ruislip Northwood).

The Bill seeks to provide anonymity for rape victims in criminal cases, except by the direction of the court.

Mr. Crowder told MPs that until his Bill, or a measure like it, became law, the true number of people who were victims of rape would not be known.

"This is because these women do not wish to face appalling publicity, not only in the national Press, but in their own local papers," he said.

Mr. Crowder, a barrister, pointed out that in rape cases the defence of consent was usually employed. If there was the slightest doubt in the jury's mind, they were bound to acquit.

"The unfortunate lady concerned will then have to live with that verdict for ever. She will be subjected to nods, winks, nudges and pointing fingers. I cannot see that anything would be lost by preserving her anonymity."

There were instances where it might be helpful to disclose the name and address of the alleged rape victim. The Bill would provide for such information to be made public by direction of the court.

"Hell hath no fury like a woman scorned—and there are cases in which a woman, out of sheer spite and venom, will unjustly and wrongfully accuse someone of raping her. Sometimes, such a woman will do the same thing again, and again, and make a habit of it. In such a case the judge could direct that the woman's name and address be published."

Mr. Crowder introduced a similar Bill in July last year, but it failed because of lack of Parliamentary time.

APPOINTMENTS

APPOINTMENTS WANTED

ESTATES AND FARMS

COUNTRY AND COASTAL

OVERSEAS PROPERTY

LONDON HOUSES AND FLATS

SALES BY AUCTION

COMPANY NOTICES

TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY LIMITED
(Incorporated in the Republic of South Africa)

PAYMENT OF COUPON NO. 72

With reference to the company's Interim report and dividend notice advertised in the press on 8th May, 1975, the following information is published for the guidance of holders of share warrants to bearer. The dividend was declared in South African currency and in accordance with the conditions of payment of this dividend, payment from the offices of the Secretaries of the company in the United Kingdom will be made in United Kingdom currency at the telegraphic transfer rate of exchange between Johannesburg and London that was ruling on 2nd June, 1975.

Payment will be made against coupon No. 72 on or after 9th July, 1975, in U.K. currency at the London bearer reception office, Charter Consolidated Limited, 7 Rolls Buildings, Fetter Lane, London, EC4A 1HX or in French currency at Credit Lyonnais, 19 Boulevard des Italiens, 75002 Paris.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturdays excepted) between the hours of 10 a.m. and 2 p.m.

Republic of South Africa non-resident shareholders' tax will be deducted at the rate of 15 per cent. United Kingdom income tax will also be deducted from coupons presented for payment at the London bearer reception office unless coupons are accompanied by Inland Revenue declarations. Where such deductions are made the net amount of the dividend is as follows:—

	South African Currency Per Share	U.K. Currency Equivalent Per Share
	Cents	Pence
Amount of dividend declared	23	14.58166
Less: South African non-resident shareholders' tax at 15 per cent.	3.45	2.18425
	19.55	12.37741
Less: U.K. income tax at 20 per cent.		2.91233
		9.46508

Secretaries of the company in the United Kingdom:
Charter Consolidated Limited,
40 Holborn Viaduct,
London EC1P 1AJ.
4th June, 1975

NOTE:
The Company has been asked by the Commissioners of Inland Revenue to state:
Under the double taxation agreement between the United Kingdom and the Republic of South Africa, [illegible]

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)

DIVIDEND NOTICE

At a Meeting of the Board of Directors held to-day, the following dividends were declared.

ORDINARY CAPITAL STOCK

A dividend of forty-one cents (41c) per share on the outstanding $5.00 par value Ordinary Capital Stock in respect of the year 1975, of which twenty-three cents (23c) per share is the total proceeds of dividends from Canadian Pacific Investments Limited representing twenty-one point five cents (21.5c) per share and from Canadian Pacific Airlines, Limited, representing one point five cents (1.5c) per share, payable in Canadian funds on July 28, 1975, to Shareholders of record as at the close of business on June 23, 1975.

7¼% CUMULATIVE REDEEMABLE PREFERRED SHARES SERIES A

A dividend of thirty-six point two five cents (36.25c) per share on the outstanding 7¼% Cumulative Redeemable Preferred shares, Series A, payable in Canadian funds on July 28, 1975 to Shareholders of record as at the close of business on June 23 1975.

4% PREFERENCE STOCK

A dividend of two per cent (2%) on the outstanding 4% Preference Stock in respect of the year 1975, payable on July 28, 1975, to Stockholders of record as at the close of business on June 23, 1975.

By Order of the Board,
J. C. AMES
Secretary.

Montreal.
June 9, 1975.

LONDON BRICK COMPANY LIMITED

Mr. H. D. Howe, F.C.I.S. has been appointed Secretary of London Brick Company Limited as from the 9th June 1975.

OESTERREICHISCHE ALPINE MONTANGESELLSCHAFT

[illegible] Loan 1965/1980—[illegible] of 14th May, 1975. [illegible]

PUBLIC NOTICES

GLASGOW DISTRICT COUNCIL

Is issuing today £3.5m. Bills at 9 25-64ths% p.a. maturing 10th September, 1975. Applications totalled £29.5m. The total amount of bills outstanding is £16m.

COMPANY NOTICES

GOLD FIELDS GROUP

DECLARATION OF DIVIDENDS AND REDEMPTION OF LOAN STOCK

The following dividends and redemption of loan stock have been declared in South African currency, payable to members registered in the books of the companies concerned at the close of business on 27 June 1975:

Name of Company (All companies are incorporated in the Republic of South Africa)	Dividend No.	Redemption No.	Amount per share cents	Amount per combined unit cents
Doornfontein Gold Mining Company Limited	37		60	
Kloof Gold Mining Company Limited	11		30	
Libanon Gold Mining Company Limited	49		60	
Venterspost Gold Mining Company Limited	71		30	
Vlakfontein Gold Mining Company Limited	64		10	
West Driefontein Gold Mining Company Limited	45		275	
East Driefontein Gold Mining Company Limited				
Ordinary Shares	4		30	
Combined units				30
Loan stock redemption		4		25
"A" shares	1			5

The abovementioned redemption of loan stock is not subject to deduction of South African Non-resident Shareholders' Tax or United Kingdom Income Tax.

The attention of holders of combined units of East Driefontein Gold Mining Company Limited is drawn to the fact that loan stock redemption No. 4 which will be paid on 7 August 1975, constitutes the final repayment. In terms of the conditions relating to combined units, the "A" shares represented by combined unit certificates will thereafter rank pari passu in all respects with the issued ordinary shares of the company. Accordingly on 8 August 1975, the "A" shares will be designated as ordinary shares and as a result the listing of combined units on the Johannesburg Stock Exchange and the Stock Exchange, London, will cease and a single listing of ordinary shares will be substituted therefor. On and from that date a certificate for combined units will be accepted by the company as representing a certificate for a like number of ordinary shares.

Warrants will be posted on or about 6 August 1975.

Standard conditions relating to the payment of dividends and redemption of loan stock are obtainable at the share transfer offices and the London Office of the companies.

Requests for payment of the dividends or redemption of loan stock in South African currency by members on the United Kingdom registers must be received by the companies concerned on or before 27 June 1975 as set out in the abovementioned Conditions.

The registers of members will be closed from 28 June to 4 July 1975, inclusive.

By Order of the Boards,
C. E. WENNER, H. J. GREEN,
Joint London Secretaries.

London Office:
49 Moorgate,
London EC2R 6BQ.

United Kingdom Registrar:
Lloyds Bank Limited,
Registrar's Department,
The Causeway, Goring-by-Sea,
Worthing, West Sussex BN12 6DA.

10 June 1975.

LABOUR NEWS

Walk-out by 4,000 ICI workers

By Our Labour Staff

FOUR THOUSAND Imperial Chemical Industries workers walked out on indefinite strike yesterday after rejecting the company's 26 per cent. pay offer to all 57,000 of its manual workers in Britain.

The walk-out was decided at mass meetings of craftsmen from the Wilton and Billingham chemical complexes on Tees-side. They decided to fight for a £16-a-week increase instead of the £10-£13.75 rises offered and demanded index-linked cost of living protection.

Further indication of ICI manual workers' reactions to the offer will come to-morrow when another 5,000 Wilton workers, members of the Transport and General Workers Union, hold a mass meeting.

The offer carries no recommendation either way from negotiators of the eight manual unions involved in national-level talks. A full picture from branch and mass meetings of their ICI members is expected to emerge over the next week.

Last night, Association of Scientific, Technical and Managerial Staffs negotiators rejected a similar 26 per cent. offe ron behalf of 6,500 ICI scientists and technicians. There will be, however, a ballot on the offer, worth between £550 and £1,100 a year, plus improved overtime shift pay and allowances.

But after separate talks negotiators for about 4,000 ICI foremen nationally have accepted the company's 26 per cent. offer—which is all "new money."

The company said that it would be paying the new rates from June 1. The foremen are represented by white-collar sections of the manual unions or by the ICI foremen's and supervisors' association.

A third set of parallel negotiations was continuing last night when the Association of Scientific, Technical and Managerial Staffs was considering a new offer for 7,000 scientific and technical staff.

A preliminary offer of 21 per cent. was expected to be improved to 26 per cent. in line with those to the other groups.

ASTMS is conducting its first wage talks with ICI after official recognition last year.

Union militancy attacked by oil drilling company

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

A LEADING American oil drilling company operating in the North Sea claimed yesterday that trade unions were "trying to destroy the offshore drilling business" by militant action in support of their demand for recognition and negotiating rights.

The accusation was made by Mr. Dan Jeffus, operations manager of ODECO, of New Orleans, some of whose North Sea rigs have allegedly been "blacked" by the Aberdeen-based Inter-Union Offshore Committee, which represents about 12 trade unions.

The committee, which operates under four organising unions—the Transport and General Workers' Union, the National Union of Seamen, the Boilermakers Amalgamation and the Amalgamated Union of Engineering Workers, has boycotted supplies and services to ODECO's eight North Sea rigs—which represent 20 per cent. of the rigs in operation in the North Sea. The boycott started about three weeks ago.

It is the latest step in the union's 18-month-old campaign to recruit members in the offshore drilling contracting business and secure recognition. It came after the recent demotion of a crane driver who had been elected union representative on the Odeco rig Ocean Victory, one of four rigs—the others belong to BP, Shell, and Sedco—which committee officials have been allowed to visit for recruiting purposes.

Mr. Bill Reid, chairman of the committee, said that the crane driver had inadvertently failed to comply with a safety regulation. He had returned to shore after his demotion and the company considered that he had "sacked himself."

The committee was pressing for his reinstatement on Ocean Victory although he had been offered employment on any other Odeco rig.

The "blacking" applied to the supply of goods, services and repair facilities available to all Odeco rigs. It was the most extensive boycott imposed against a drilling contractor so far in the unions' campaign and was supported by the International Transport Federation, which meant that it would be effective also in Scandinavian and North European supply bases.

Mr. Jeffus says that the boycott has had a very limited effect—"much less than the unions would have liked. We are having a little problem with some of the engineering companies who will not do any repair work for us."

ODECO's rigs operating in Danish, Dutch and Norwegian waters were totally unaffected and little difficulty had been experienced with the operation of rigs in the British sectors.

Mr. Jeffus disputed the unions claim that it had majority membership among the crew of Ocean Victory. "We are certainly not discussing recognition with them. We are not opposed to unionisation, but we are opposed to the sort of overlording principle they are trying to push down our throats."

New row threatens to stop Chrysler

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

A DISPUTE over pay during the three-week Chrysler engine workers' strike threatens to halt output again at the Avenger factory in Coventry.

Employees at Hills Precision Plastics, a subsidiary making radiator grills, instrument panels and other components, are claiming lay-off pay for the time they were idle as a result of the strike by the Stoke, Coventry, engine plant workers.

The management said that they were under the misapprehension they could claim lay-off pay if they were laid off within six weeks of having worked overtime—which they had been doing. But this applied only where short-time resulted from a market decline—not from a strike.

Meanwhile, representatives of the 4,000 workers at Ryton making Avenger saloons accepted the company's pay offer of an immediate £8 a week across the board. They are also showing interest in proposals for employee participation, for which the company is offering an additional lump sum of £100 if they are implemented before the end of the year.

● A meeting of Ford Motor union officials and shop stewards yesterday decided to approach the management for a meeting on the manning dispute that has halted car output from the company's plant at Dagenham for the last seven weeks.

Meanwhile, the 80 doorhangers on strike picketed Dagenham for the first time since their attempt to occupy the plant at the beginning of the dispute.

About 5,000 Dagenham workers have been made idle by the dispute and 1,200 at the company's transmissions plant at Halewood are to go on to a three-day week.

IN BRIEF

Solidarity

The Amalgamated Union of Engineering Workers executive decided yesterday to tell its 5,300 members in rail workshops not to do work normally carried out by members of the National Union of Railwaymen should there be a rail strike.

Arbitration

Arbitration hearings on the £48m. claim for a restoration of percentage pay differentials for 1m. local government manual workers was held yesterday. The tribunals' award is expected in about a fortnight.

5,700 laid-off

Ward and Goldstone, the Salford-based electrical engineering group, last night laid off 5,700 workers from ten North West factories because of a pay strike involving 400 craftsmen.

Border TV back

Carlisle-based Border TV resumed transmission yesterday when over 60 technicians ended a five-day strike over payment during the period they were locked out two weeks ago.

Visit to Russia

A delegation of five women trade unionists is to visit Russia in August as the latest stage in the developing relationship between U.K. and USSR trade unions.

This follows the controversial visit to the U.K. in April of Mr. Alexander Shelepin, who was then the head of the Russian trade union organisation, the AUCCTU, but who has now moved to another Government post.

Back to work

The port of Manchester, disrupted by 22 lightning strikes over the past two months, will be back to normal to-day following acceptance by the port's 800 dockers of an extra £7.52 a week in two stages payable now and in six months.

Work-to-rule

More than 2,000 boilermakers in the Tyne shipbuilding yards of Swan Hunter voted yesterday for an immediate overtime ban and work-to-rule in support of a "substantial" pay rise.

Rates rise protesters attacked

By Our Labour Staff

A FIERCE attack on protesters who want local government spending to be pruned drastically as one means of applying the brake on soaring rates bills came yesterday from Mr. Ron Hill, *president of the National and* Local Government Officers' Association.

His criticism came at the annual conference in Blackpool of NALGO, which is threatening industrial action to press demands for an extra £10 a week, plus 15 per cent.—the equivalent of a 35 per cent. rise.

NALGO is also concerned that a severe curtailment of local government expenditure, because of inflation, might affect job prospects in its sector.

● The 1,600 NALGO members at Gateshead Council have jumped the gun on possible national industrial action by beginning an immediate overtime ban. Only social services and emergency work are exempted from the ban, which was imposed in protest at the national pay offer.

Pitmen may bid for new production bonus plan

BY JOHN WYLES, LABOUR REPORTER

A DROP of nearly £2 a week in the miners' production bonus for the next three months is likely to revive pressure within the National Union of Mineworkers for a fresh attempt to negotiate an effective incentive pay scheme for the coal industry.

Payment of the present £2.90 a week bonus ends at the end of this month and the new figure will be based on output since the beginning of April.

All the signs are that miners will exceed the 28.97m. ton target for the three months to the end of June by a modest 430,000 tons. This will earn them an equally modest £1.05 a week.

The National Coal Board cannot point to any obvious slackening of effort to explain the drop, which may be due more to an over ambitious output target.

The scheme was introduced with the March miners' pay deal and the NCB has little experience yet of setting accurate quarterly targets which take into account the effects of holidays and other factors such as absenteeism.

Nottinghamshire miners leaders, who have long campaigned for a pit-based incentive deal, claimed yesterday that the present scheme would leave overall coal output "stagnant."

ILC job for Cyril Plant

By Our Labour Staff

Mr. Cyril Plant, general secretary of the Inland Revenue Staff Federation, has been elected vice president of the workers' side of the International Labour Conference now meeting in Geneva.

A senior member of the TUC general council, Mr. Plant is the British workers' delegate to the conference and a member of the International Labour Office governing body.

Vickers workers seek more say

BY OUR NEWCASTLE CORRESPONDENT

SHOP STEWARDS at Vickers' north-east engineering factories yesterday announced plans for 50 per cent. worker participation in the running of the company.

Launching their scheme, they claimed that the company had turned down suggestions of negotiations on worker participation. There was a prospect of combined national industrial action in the group if Vickers stuck to its refusal, they added.

Their document, sent to the group's main Board and Mr. Anthony Wedgwood Benn, the Industry Secretary, is one of the first formal responses by shop stewards in a major company to Mr. Benn's appeal for workers to submit participation proposals for their own companies.

A similar document has been circulated by British Aircraft Corporation workers in Bristol.

The Vickers stewards plan a structure with an equal number of management and worker-elected directors on each local Board. Each local Board would elect a worker-director and a management director to sit on the group Board and each group Board would elect one worker and one management director for the main Board.

Separate

They suggest there might also be places on the Board for outside interests like government, outside trade unions, customers or local community interests.

The worker-directors would continue to work in their normal jobs and would report back to the shop floor at frequent intervals and be subject to recall at any time.

Shop stewards and worker-directors should be separate jobs (although some shop stewards expressed reservations about this proposal), and union organisation and functions would remain unchanged. All directors would hold office for two years but be eligible for re-election.

Mr. Jim Murray, convener at Elswick Works, Newcastle, said that shop stewards already had considerable influence at local level, but never had a say in decisions of any real significance, like investment and planning.

"The company's management structure is complex and it is frequently not clear what responsibilities lie with the different Boards," he said.

APPOINTMENTS

Vauxhall Motors marketing director

Mr. Harold G. Carpenter has been elected to the Board of VAUXHALL MOTORS as director of marketing, passenger cars. Mr. Carpenter joined the company as domestic sales manager in September 1971.

★

Mr. G. Cefis, Mr. D. E. St. A. Harney and Mr. C. Sarrazin have been appointed directors of MORGAN GRENFELL INTERNATIONAL.

★

Mr. Kenneth Corfield has been appointed chairman of the Economic Development Committee for the Ferrous Foundries industry of the NATIONAL ECONOMIC DEVELOPMENT OFFICE. Mr. Corfield is deputy chairman and managing director of Standard Telephones and Cables and senior officer for the International Telephone and Telegraph Corporation of the U.K.

★

Mr. Paul Rudder has been appointed a director of Advance Laundries and of Advance Linen Services. Mr. Rudder joined the executive staff of the parent concern, BRITISH ELECTRIC TRACTION COMPANY, on May 5. He was previously with the Charterhouse Group.

★

Mr. H. D. Howe has been appointed secretary of LONDON BRICK COMPANY.

★

Mr. G. W. Vosper has been appointed Comptroller of ITT BUSINESS SYSTEMS GROUP in the U.K.

★

Mr. David R. Cutting and Mr. Ardavast Postoyan have been appointed additional directors of Alva Shipping (Holdings) and its subsidiaries, and Mr. Hugh Borg has been made an additional director of Sitmar Line (London) and Sitmar Cruises. The companies are members of the VLASOV U.K. GROUP.

★

The Earl of March has been appointed a director of the COUNTRY GENTLEMEN'S ASSOCIATION.

HOME CONTRACTS

Leonard Fairclough wins £5m. Glasgow work

LEONARD FAIRCLOUGH has received a £5m. contract from Glasgow District Housing Committee to build 446 flats at Darnley. The development will comprise 29 one-apartment, 100 two-apartment, 257 three-apartment, 36 four-apartment and 24 five apartment flats. Their average price will range from £10,048 for a one-apartment to £15,840 for a five-apartment flat.

★

CORRALL CONSTRUCTION, part of the Powell Duffryn Group, is to modernise a five-storey block of flats for the London Borough of Islington under a contract worth more than £500,000. On completion there will be 54 flats with new bathrooms, kitchens, central heating and complete redecoration, served by three lifts.

★

JMJ (CONTRACTORS), Belfast, has been awarded two contracts worth more than £450,000 by Strathclyde Regional Council for roadworks in Argyll. One, of £240,000, is for the construction of the Whistlefield section of the A815 Cairndow-Toward road. The other, worth £159,000, is to carry out improvements at Balgie Burn Bridge.

★

McGILL INSULATION GROUP, Essex, has won a £250,000 contract from Kier for the thermal insulation and protective cladding of pipelines for liquefied products and services from jetties at the Phillips Petroleum refinery site at Seal Sands, Teesside. The order involves both onshore and offshore pipelines and storage and pressure vessels.

★

ALFA-LAVAL COMPANY, Brentford, has received an order worth about £150,000 for acid cooling equipment from Albright & Wilson. This range of plate heat exchangers is for use in sulphuric acid cooling in absorption towers, and will be installed in an extension to Albright & Wilson's sulphuric acid plant at Whitehaven, Cumbria.

★

MARSHALL (BUILDERS ELLAND) has won a £105,000 contract for a new security centre on the Kitty Brewster Trading Estate, Blyth, Northumberland, for Securicor.

The Executive's World

EDITED BY JAMES ENSOR

Hilton owns less, manages more

By MAURICE IRVINE in Los Angeles

Mr. Barron Hilton

HOW FARES that ubiquitous American innkeeper, Hilton Hotels Corp., in these days of shrinking travel markets, inflation, recession and a nagging energy problem? None too brilliantly, but hoteliers must conquer difficulties, not find excuses, and "young" Barron Hilton, the 47-year-old president, who succeeded his colourful father Conrad in 1966, is making strenuous efforts to improve the Los Angeles-based company's health.

The major chains—so bullish in recent years—have suffered disappointing occupancy rates (2 per cent. off last year, probably another 4 per cent. this); and Hilton, like all the rest, has had to adjust to the fact that boundless expansion within the great American playground, where everyone had more and more money for travel and fun, is at an end.

Among Hilton's setbacks are a faltering growth rate, as competition grows fiercer from such eager rivals as Holiday Inns, Sheraton, Hyatt, and an unexpected drop last year in its largest and newest source of income, the Las Vegas casino-hotel operation. While most of the Nevada gambling mecca enjoyed a boom, Hilton's Vegas earnings were halved and room occupancy fell by 6 per cent. At the same time, heat, light and power costs alone rose by 25 per cent. to more than $16m. The result has been a 27 per cent. decline in this year's first quarter profits, before a special credit from the sale of a 50 per cent. interest in six of the chain's biggest hotels.

Splashiest

The sale, to the Prudential Insurance Co. of America, was the splashiest move yet in Barron Hilton's new strategy, which may be summed up in four words as "own less, manage more." The deal, carried through last March, brought Hilton $83.3m. for hotels in Los Angeles, San Francisco, Dallas, Washington, and New York state, and should protect the company from the direct effects of falling occupancy rates. Hilton now takes half the profits, plus a fixed 3 per cent. of the gross revenues in management fees. That should add $2m. to net income in 1975, providing a welcome boost to the chain's profit margin, which fell 1 per cent. last year to $17.2m. on revenues of $381.5m.

Prudential's interest in Hilton has also revived the company's stock—going for 71 in its heyday, but down to a measly 11¾ last January. Since then it has risen to 23. The Pru's buy restored faith in Hilton's potential. Pru paid about $30,000 per room, "double the book value," notes Barron Hilton in his just-released 1974 annual report. However, with real estate experts saying it would cost $50,000 a room to build them in the current state of the industry, the Pru feels pleased with its purchase.

Hilton used the ready cash to cut $26m. off its long-term debt (now about $150m.—in 1971 it was as high as $216m.), and in April deployed another $26m. to buy one million shares of the company's stock, giving the family 29.5 per cent. control. "A bargain," says Hilton, "since we bought at $21, when book value is $30."

Why had the company's stock sunk so low? An erratic profit record in recent years, say analysts. Innkeeping is a volatile business, and like other chains Hilton has been withdrawing from wholly-owned properties in favour of franchising or running hotels it owns jointly with other investors. Although the Hilton flag flies over 222 hotels around the world to-day, the company actually owns (or leases and operates) only 20 of them, of which the centrepiece is New York's Waldorf-Astoria.

Although the foreign hotels (including two in London, another at Stratford-upon-Avon) still bear the Hilton name, the company's only involvement is the titular presence of Conrad Hilton as chairman of the group.

Now 87, Conrad is still said to be active as chairman of Hilton Hotels Corp., working with his son out of Beverly Hills headquarters, but these days it is Barron, as president, who does the travelling and the talking. One of three sons of the "Old Man's" first marriage (this second was to Zsa-Zsa Gabor), Barron Hilton came late to the business after a varied career as a Navy man in World War II, selling orange juice and oil, running an aircraft leasing firm, even managing a professional football team, the San Diego Chargers, for a while. His favourite hobby, gliding, is practised over the family's Nevada ranch.

Like his father, Barron "doesn't believe in too many generals," and the company's organisation chart is not crowded with executive names. It was Barron who developed the franchising operation and the credit card system now known as Carte Blanche. "We plan a substantial increase in management fee revenues and franchising over the next five to ten years," he says, "but we won't be building any new hotels on our own. These days with big hotel costs running up to $80,000 a room and financial outlay up 50 per cent. over the last two years, one needs partners to share risks.

Franchising gives Hilton an expanded base of earnings. It also avoids the cyclical swing common in the business and the heavy capital investment needed in wholly-owned hotels. The company charges an initial fee of between $10,000 and $50,000 and supplies the know-how in exchange for a 5 per cent. share of room revenues. Last year 19 franchised hotels were added to the list and 26 more are being built. Hilton also has three partly-owned hotels under construction, here in Los Angeles, in New Orleans and Atlanta.

The one place Hilton is prepared to go it alone is Las Vegas, if only because legal gambling is difficult for partnerships. The company moved into Vegas only in 1971, buying the Flamingo and the International from financier Kirk Kerkorian, and did nicely for the first two years. Now it has just opened a 600-room addition to the re-named International, amid the usual fanfare. Recession is unheard of in the desert oasis, but the competition is stiff.

New wings are being added to several other casino-hotels, and Kerkorian's plush new $124m. MGM Grand has broken records in its first year of business. The novelty-hungry crowds from Southern California, who form the majority of the Vegas tourist flow, have sent the Grand's occupancy rate up past 90 per cent., and Barron Hilton admits that his enterprises have felt the pinch. In 1973, Vegas operations provided 47 per cent. of the corporation's income; last year, that was down to 27 per cent. "But we're sure," says Mr. Hilton, "that 1975 prospects are more promising."

Cutting those rising costs—"without lowering our standards, of course"—is a major concern nowadays. The latest computerised gimmick is a control system which monitors every room, turning off lights, TV, heating, whenever a guest goes out. The company plans to instal the system throughout the chain if the present pilot scheme works out.

BUSINESS PROBLEMS

Tax free redundancy pay

BY OUR LEGAL STAFF

My firm is shortly to go into voluntary liquidation and I am to be given a lump sum as at age 60, in addition to redundancy pay. Is it correct that I shall receive the capital sum tax-free, if it is paid after I have left?

We confirm that the common procedure in a case such as yours would be for the directors formally to consider the question of making an ex gratia payment to you (in addition to the statutory redundancy payment) at a meeting after your services have been terminated. If the statutory redundancy payment and the ex gratia payment do not together exceed £5,000, no tax should be payable on the ex-gratia payment. The payment may escape tax even if it exceeds this limit, but this depends upon circumstances not mentioned in your inquiry.

As the company is shortly to go into voluntary liquidation, it may be unable to obtain corporation tax relief in respect of the ex gratia payment made to you, but presumably this is not a point with which you are directly concerned.

Losses following non payment of a call

I am in dispute with my tax inspector over my claim for a loss to be set against gains involving the loss incurred as a result of non-payment of a call on partly-paid shares. He claims that no disposal has taken place and that, since the shares became of negligible value due to my action in not taking up the call option, and not the action of the company issuing the shares, no capital loss can be allowed. He also says "The abandonment of a 'call' option such as the option you appear to have had to acquire full rights . . . is not treated as a disposal unless it relates to a quoted option certificate." What do you think this means, please? What is your view of the problem generally? What would it cost me if I appealed?

Your tax inspector seems to have confused unpaid calls on partly-paid shares with unexercised call options and option warrants. It is most unlikely that your dispute will have to be resolved at a formal hearing before the Commissioners, but in that unlikely event you would incur no costs beyond your own out-of-pocket expenses (win or lose); it would probably be best for you to elect for the Special Commissioners when giving notice of appeal, rather than the General Commissioners.

Having refused to pay a further call on partly-paid shares, you have ceased to be a shareholder and have forfeited your interest in the company. You therefore no longer possess an asset which you formerly possessed and a disposal has clearly taken place, for capital gains tax purposes. The inspector has undoubtedly been looking at the wrong sections of the capital gains tax legislation: it is to be hoped that he will realise his mistake if you draw his attention to sections 23(3) and 45(1) of the Finance Act 1965. These sections respectively provide that, "subject to (any contrary) provisions . . . the occasion of the entire . . . extinction of an asset shall for the purposes of (capital gains tax) constitute a disposal of the asset, whether or not any capital sum . . . is received in respect of the . . . extinction of the asset," and that "shares . . . comprised in any letter of allotment or similar instrument shall be treated as issued unless the right of the shares . . . thereby conferred remains provisional until accepted and there has been no acceptance."

You may expedite settlement of the dispute if you tactfully suggest that the inspector seek the guidance of his head office on the Australian law relating to partly-paid shares of No-Liability companies.

Shares in lieu of cash

Could you tell me what is the new tax position with regard to shares in lieu of a cash dividend, both for the recipient and for any advanced corporation tax payable by the company?

In the case of a simple option to take a bonus issue instead of a dividend on quoted shares of a U.K. company, investment income surcharge and higher rate tax (minus the basic rate) will be charged on the aggregate of the dividend forgone plus the appropriate tax credit. However, if the amount of the forgone dividend is "substantially" less than the market value of the bonus issue on the first day of dealing (in the capital gains tax sense), then that market value is grossed up at the basic rate to find the figure to be charged to surcharge etc.

For capital gains tax purposes, such a bonus issue is in effect treated as though it were a rights issue taken up at a price equal to the forgone dividend (or the market value, if that is the basis of the income tax charge).

No ACT is payable by the company on bonus issues caught by these new provisions.

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No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

GOVERNMENT SPENDING

The figures are out of date

BY PETER VINTER

SINCE the Plowden-Clarke reforms 15 years ago it has been accepted on all sides that the Government of the day, using a five-year survey (loosely known at PESC—Public Expenditure Survey Committee) covering all public expenditure, reviews its policies against the resources available and then makes up its mind on the volume of expenditure and on the taxation needed to fund it. Anyone who compares the old jumble of Estimates with the rationally organised programmes used in expenditure White Papers can have little doubt about the improvement. Yet doubts are creeping in about the way the PESC machine operates. Why?

One particular gap in the machinery has become apparent. Briefly, at any point in time, there is little or no really up-to-date comprehensive management information consistent with the White Papers,* which shows whether the trend of individual programmes and sub-programmes is on or off the intended course. The lack must have contributed to and may be at the root of some of the current difficulties. In the discussions at the Committee and in the explanation of the PESC mechanics used in the White Papers given in the apparently little known but invaluable "Public Expenditure White Papers: Handbook on Methodology," the emphasis is on changes from one year to another and there is barely a reference to changes within the year. It is a vital difference, for the absence of unambiguous up-to-date signals makes action more difficult and later than it need be. The experience of some major industrial enterprises points the way to a remedy.

The original purpose of the Plowden annual surveys looking at only the first and fifth years of the five year period ahead, constant prices on a year to year basis were a useful innovation and sufficient for the immediate purpose. But once these surveys were turned during the sixties into a specific control mechanism applied to each of the five years ahead (together with an allowance for the relative price effect), the position subtly changed. Much of the costing is done six or more months before the first year of a Survey, so by the end of that year, the costs can be 18 months old. When inflation was running at a modest rate the discrepancy did not matter greatly, and thus it did not attract much attention. To-day the situation is quite different, particularly as the effect of wage increases are played down in the Surveys.

Two damaging consequences follow. First, the discrepancy is so big that the control mechanism tends to lose authority. Rising money Estimates for the Central Government, together with large Supplementaries seem at variance with the cool rationalism of the White Paper presentation. Prominence is given to the "bow-wave" by which expenditure for year 1 of a Survey is higher, but for succeeding years lower than planned. The depth of the wave may be exaggerated, but confusion is certainly caused and the credibility of expenditure management weakened.

Distorted

The second damaging result arises from the lack of unambiguous early warning to the Chancellor and to Ministers about the current trend of their programmes, in comparison with the agreed plans. The message received is likely to be weak and possibly distorted.

This gap could readily be remedied by the introduction of a simple comprehensive management information system drawn from the cash disbursements under each programme, sub-programme or further sub-divisions. The information flow would have to be "translated" from the cash data in order to render them consistent with the White Paper.

The Treasury has powers to prescribe the form of Department Accounts and there seems no bar to the inclusion of a requirement for simple monthly figures showing the progress of the main features of each sub-programme.

For local authorities and other bodies partly or wholly financed but not managed by Central Government a requirement could be added to the terms of grants so as to obtain similar reporting on expenditure. Liverpool, already has corresponding arrangements for its own purposes.

It may well be objected that the public sector is too big for such a system. It is hard to see why this should be so. A number of leading enterprises receive outline information about sales, profits or losses and variances from budget within three or four weeks after the end of the previous month's trading. Some also obtain simultaneously revised forecasts for the following six or twelve months, rolled forward each month. Reporting from public sector "cost centres" would in some respects be simpler than the business returns and the scale covered on each sub-unit is unlikely to be very different as between enterprises and public sector programmes. The key is the unit where the running accounts are kept: the main task would be their adaptation to secure a simple up-to-date monthly out-turn.

In using this information it would be necessary to avoid flying off directly to conclusions on "cash evidence" alone. Interpretation of the economic impact of overspends, underspends or possible corrective action would be needed by Ministers so as to see how it fitted in with other economic trends. Interim interpretation might be less sophisticated than at the mature annual review. But it would be right up to date and fill what can now be seen to be a serious gap in present arrangements.

Other advantages would follow. Expenditure managers down the line would themselves be getting directly early signals about their own responsibilities month by month instead of at the longer intervals sometimes used.

Improved management information would enable changes in direction to be undertaken with greater effect and more certainty. Flexibility of public sector expenditure has been a thorny subject for many years.

The Expenditure Committee spent some time on the matter, three or four years ago, but did not pursue it further. Latterly the committee concluded (ninth report 1974) that "changes in the level of public expenditure should be used only as a tool of last resort . . . short term management of the economy . . . should primarily be carried out by changes in taxation." Subsequent events, and particularly increased taxation and a much bigger public sector borrowing requirement suggest that this view may not be sustained.

Sharp last moment changes can cause unforeseen costs, as the Post Office have shown: similarly cuts in investment in power stations or hospitals have further effects on manufacturing industry which in turn reflect on their investment. It is good news that NEDO and the Treasury are reviewing this. To gain results, they will need more accurate current data of progress than now seems to exist.

Similarly, current expenditures may be affected by the precise pace of recruitment or wastage of staff. These techniques are well understood, but they need to be linked up more precisely with the overall management of expenditure. Management information data is essential for this purpose. Ministers need early notice of events; managers down the line have to start thinking early where divergences from trend may lead them.

Looking ahead, the introduction of prompt management information and effective early warning might well open up new possibilities for managing expenditure, and for narrowing the gap between Chancellors of the Exchequer and spending Ministers. Hitherto we have tended to wait for a crisis before modifying expenditure. Political needs may partly account for this, but the absence of unambiguous and up to date information must surely have contributed. If this were remedied Government could act earlier and with less upset.

It might also find a new weapon in their armoury: it might put a ripple into the system, calling for an increase on or decrease of x per cent. from trend in particular programmes, starting so many months ahead. Spending managers would know more clearly where they stood and could set about their tasks more rationally: and we should be saved some of the inconsistencies and failures identified by the Expenditure Committee of the House.

The author was chairman of PESC 1965-69.

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WEDNESDAY, JUNE 11, 1975

Oil producers ask for more

AFTER more than 18 months of stalemate on the question of oil prices, the producers have finally decided to seize the initiative for themselves. The final results of the latest OPEC meeting in Gabon have still to be announced. But already the message is clear. A decision to readjust the dollar basis of oil price quotation and set it against a basket of Western currencies has been virtually made, although the details have still to be agreed. More ominously, almost all the producers are now *openly talking of a substantial* price increase to recoup the past effects of inflation once the self-imposed moratorium on increases ends this September.

The development is hardly surprising. Ever since OPEC decided to raise the price of oil fivefold in the period 1973/74, the producers have experienced a steady decline in the real value of those price increases as a result of the rapid inflation of costs of their imports from the West and as a result of the decline in the value of the dollar on which their oil revenues have been assessed.

Restraint is over

In the eyes of the more radical producers at least, this period has served only the interests of the consumers, who have simply stood by and enjoyed the benefits. Now that the period of price restraint is over, runs the argument, the producers are fully justified in taking self-protective action to raise prices and enforce, if necessary, further indexation against world inflation rates. The argument has its appeal for the producers. There can be no doubt that, contrary to some expectations, they have been able to absorb the recent fall in demand without breaking ranks. And there is equally no doubt that they have a case in arguing that the consumers have shown themselves surprisingly reluctant to accept the hard facts of the oil production pattern.

Yet, from the consumers' point of view, things cannot be that simple. To demand, as the *producers have done, a firm* agreement not just on oil prices but monetary reform and raw material costs as well has raised a host of problems of definitions of a fair price for oil, over creating a structure for other commodities and over settling issues within a narrow confine of politically charged summitry which the consumers would be neither wise nor well-advised to leap into—even if they had the practical unity or framework for doing so, which is doubtful.

This being so, the position of the consumers must be a delicate one. They can, as Saudi Arabia has hinted several times in recent months, make some dramatic offer of price indexation before OPEC meets to consider the price question next September. But this is difficult in practical terms and must be based on the dubious proposition that such a move would enable the moderates in OPEC to suppress their more radical colleagues.

The options

Or the consumers can, as some have suggested, simply drag *their feet and let the* producers raise prices in the hope that they will then come to realise that it is a self-defeating move, gearing up inflation rates and reducing demand still further. Or the consumers can, alternatively, play it by ear, seeking to revive the dialogue on oil and raw material prices in the most practical manner possible and trying to convince both the producers and the developing, poorer nations that oil is too closely linked to the whole world's economic welfare to be used as a political football or a monopoly commodity.

The latter course is not the easiest. It may well be that any real dialogue on the issues is not developed in time to prevent an OPEC price increase next September. And it may well be that it leaves the consumers the worse off in the public eye for failing to respond readily enough to producer pleas for co-operation. But it is the most sensible course open to the consumers and one which, for all the pitfalls, gives the greatest hopes for a realistic solution to *everybody's interest* in the long-term.

Paying the price for performance

THE TUC believes that the inequality of earned incomes, ranging from £1,000 a year at the bottom to nearly £100,000 *at the top, is a serious* cause of social discontent. In evidence to the Royal Commission on the Distribution of Income and Wealth, it argues that even on an after-tax basis the inequalities are far too large and do not fit "society's basic values of social justice." When fringe benefits are taken into account, the inequalities are even more offensive. Hence the TUC suggests that the Royal Commission should consider the possibility of setting an upper limit of £20,000 before tax or £10,000 after tax.

Inflation

The TUC's analysis leaves several factors out of account. First, the combination of progressive taxation and high inflation has struck hard at the real incomes of higher-paid managers. ICI has pointed out to the Commission that over the past five years its weekly paid employees had seen their real after tax salaries rise by 25 per cent., while those of senior managers had been static or had declined by up to 15 per cent. This was why ICI had such difficulty in persuading its overseas-based managers to return home and even more in attracting foreign nationals to U.K.-based jobs.

Second, although the international market for executives is an imperfect one (because personal and family ties often outweigh salary differences), it is nevertheless an increasingly important consideration for companies which operate in an international business. The oil industry is one example. It would be surprising, to say the *least, if the* Secretary for Energy, was able to hire a suitable chief executive for the British National Oil Corporation at £20,000 a year; if he wants the best man, he will have to pay the market price.

Third, while senior managers generally enjoy their work and like the prestige that goes with it, most of them are motivated in part by the desire for more money. Unless a company offers a salary structure which provides for substantial increases in remuneration from one level to the next, it will not elicit the best performance from its staff. This, of course, does not explain why the chief executive of one company earns more than his counterpart in another, but such disparities are inevitable in a mixed and relatively decentralised economy; even the TUC would shy away from a centrally imposed national job evaluation scheme affecting every enterprise in the country.

It is right that companies should disclose the salaries of their directors (both gross and after-tax), the methods of payment, their fringe benefits and service contracts; there is a great deal of suspicion, which has not always proved unfounded, about the extent to which directors enjoy privileges, and companies should be encouraged to set out the facts fully. There are two aspects of U.S. practice which are also worth considering—first, the payment of a large proportion of the executive's remuneration in the form of bonus related to performance, and second, the arrangement whereby the salary of the chief executive himself and his senior colleagues is settled by a committee of the Board consisting of non-executive directors.

Market economy

But if the market economy is to work efficiently, some people will always earn very much more than others; any attempt to legislate against this is likely to damage performance. What really matters is equality of opportunity, so that the jobs which carry high salaries are open to all. That is why in the U.S., as the TUC itself recognises, the perception of inequality is much less than in the U.K. even though income differences are larger.

A dear stamp of failure on the Post Office profit plan

BY HAROLD BOLTER

LESS than three months ago the Post Office introduced the 7p and 5½p letter post and raised the cost of using the telephone service by an average of 35 per cent. Together, these increases were designed to yield an extra £649m. to the P.O. in 1975-76 and to avoid, it was hoped, the need for any further price rises this year. Those hopes have now been dashed. Very shortly the Post Office will go back to the Government with proposals for another set of price rises this autumn. The day of the 9p letter may well be at hand, and it is an evens bet that the 10p post will be with us by this time next year.

Unfortunately, this is by no means all. Apart from further increases in postal and telecommunications charges, the P.O. will suggest to the Government and to the Post Office Users' National Council—the consumers' watchdog organisation—that the time is now ripe for a reduction in the services it offers, particularly on the postal side of its business.

This could mean fewer evening and week-end mail collections, a single letter delivery each day in town and country areas (and that spread over a longer delivery period), the complete abolition of Saturday parcel deliveries, and much else besides.

Accelerating the drift

There could also be a further widening of the differential between the charges for the first and second class post, accelerating the drift from the first class service which is already taking place. Ultimately, the vast majority of postal traffic may be carried on a standard service, offering no sort of guarantees about delivery, with a small amount of really important mail carried on a much more expensive service which would hold a real promise of delivery on the day after posting.

The proposals represent desperate remedies for a desperate situation. First, of course, the Post Office suffered badly during previous periods of price restraint, when the nationalised industries were used as an important tool of Government economic policy. This was recognised by the Government until recently: in *1973-74 the PO* received some £128m. in compensation for revenue lost by holding down prices, while for the year just ended, 1974-75, it will get another £330m., the size of the deficit it will report next month.

But the Government and the Post Office thought that these debilitating days of State support were over when the P.O. was allowed to bring in its £649m. price rise package earlier this year. The thinking then was that this should get the Corporation back near to break even point during 1975-76—only near, because the Government persuaded the Post Office to settle for a nominal £51m. less than the £700m. it really felt to be necessary for break even point to be reached.

Deterioration - dramatic

The deterioration in the Post Office's prospects since that performance seemed possible has been dramatic. It is now thought to be heading for a 1975-76 deficit of well over £300m. unless something is done. There are three main reasons for this: the effects of inflation were miscalculated: the business recession has been more severe than anticipated at the turn of the year: and the P.O.'s customers have resisted the spring round of price rises on a scale not experienced previously.

When Sir William Ryland, the Post Office's chairman suggested that the Corporation could come close to breaking even during 1975-76 without any further price rises, he had built an inflation rate of around 20 per cent. into his estimates. In the event, this looks like being around 10 per cent. too low.

For the Post Office, this misplaced optimism about the course of the economy has been highly significant. As the country's largest employer, with a labour force of some 420,000 and its biggest investor in capital equipment (at least £800m. this year) the P.O. is particularly vulnerable to inflation.

Even though the latest pay rises in the industry fell broadly within the terms of the social contract, the Post Office's total pay bill has risen from some £309m. a year when it became a Corporation in 1969 to over £690m. In addition, of course, inflation has meant that the P.O. is now paying more for its bought-in equipment and meeting higher interest charges.

Recent calculations by the Corporation suggest that the heavy postal price increases in March led to an overall fall of about 8 per cent. in traffic, and this may prove an understatement (Mr. Tom Jackson, general secretary of the Union of Post Office Workers, has suggested a figure of 10-12 per cent.) when the meter stamps used by business concerns are checked.

Equally important, there has been the pronounced shift away from the first class service to the second class. Before the *spring price increases,* some 49 per cent. of the 35m. letters handled by the Post Office every day were sent first class. Now the proportion has dropped to 40 per cent., and some very big concerns have made it known to the P.O. that they have changed their postal policy, sending the bulk of their mail second class at 5½p and using the 7p service only for urgent letters.

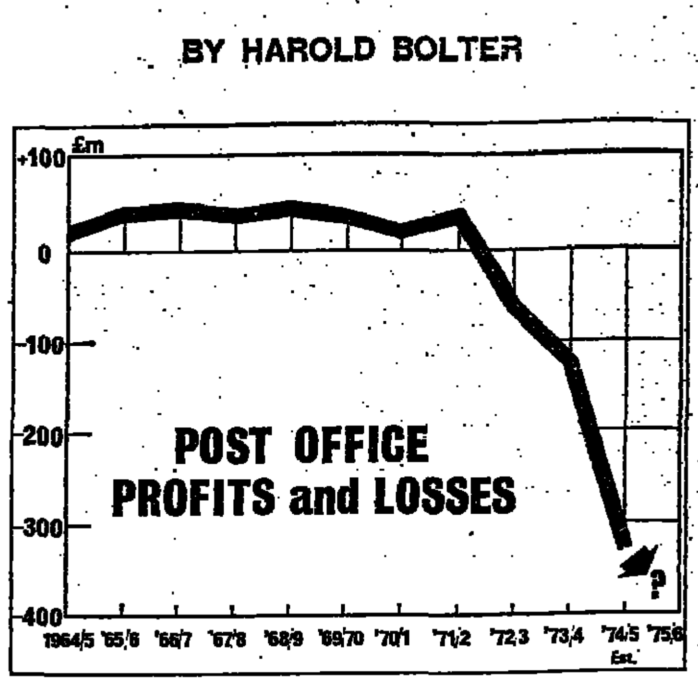
If, and when, prices go up again, this process will undoubtedly continue. And, curiously enough, the Post Office will be reasonably content to see it happen. Among the Corporation's top management there is some sympathy for the union view that, with the pressure off the postal service for next day delivery, except for a limited number of items, there would be more scope for flexibility and cost savings.

This is why the idea of a fundamental change in the present two-tier postal system may well appear among the new economy measures which the Post Office will put to Lord Peddie's Post Office Users' National Council shortly. For the most part, however, Lord Peddie, chairman of the Council, will be placed in the rather embarrassing position of re-examining a set of proposals turned down in 1971. At that time the POUNC maintained that both businessmen and the general public would prefer a straightforward price rise to any diminution of the postal service. The Post Office is not at all sure, on its recent experience, that this is any longer the case.

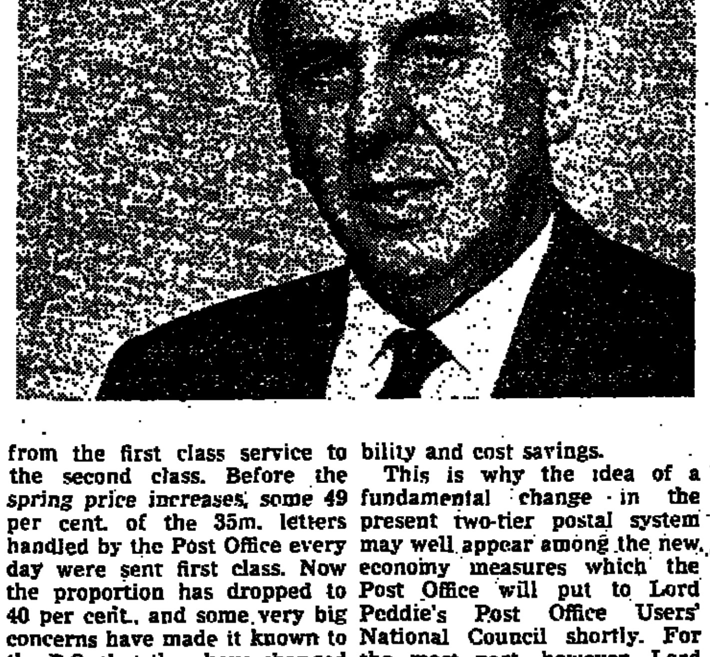
Four years ago the corporation suggested that it could be saving as much as £68m. a year by 1978 if it was allowed to reshape Britain's postal service. With inflation, this figure could now be substantially higher, while the time-scale will also have been advanced, but the principles of a radical change in the service remain much the same.

On the letter service, the P.O. is thought to favour a reduction to one delivery a day in residential areas, with the time of delivery extending in some cases well into the afternoon, and a fairly strict restriction on evening and week-end collections. This is something the unions would also support. On the parcels side of the business, Saturday deliveries would probably end altogether, and there would be a reduction in week-end working.

The Post Office cannot hope to get all the savings it needs simply by cutting back on services, however. It will, therefore, be looking for some reduction in employment in an industry which is undoubtedly over-manned, despite local problems of labour shortages at various times.



The dramatic change in Post Office fortunes (above) means a £300m.-plus loss this year unless a drastic solution is found. When Sir William Ryland (below), the Post Office chairman, suggested that the Corporation could come close to breaking even during 1975-76 without further price rises, his estimates were based on an inflation rate of around 20 per cent. That figure now looks like being too low by some 10 per cent.



Reduction in manpower

Once again, the best guide to what the P.O. management has in mind is the report it submitted to the POUNC four years ago. That suggested that a gradual and phased reduction in manpower, with a greater reliance on mechanisation, new productivity measures and better marketing, could produce savings of about £160m. within six years of implementation.

The Post Office management is already having discussions with the unions on cost cutting, and there is unlikely to be any confrontation over employment levels of the sort which has just taken place within the British Steel Corporation. The P.O. management undoubtedly has the sympathy of the two main unions involved, and will be looking for co-operation from them rather than hard-won compromise. What it hopes to obtain is their agreement to a very substantial reduction in overtime working and their acceptance that people leaving the industry should not be replaced automatically. The aim is 25,000 fewer jobs on the postal side alone within, say, a six-year period, mostly achieved by natural wastage. There will also be reductions on the telecommunications side (plus, probably, some cutback in the telecommunications investment programme).

Significantly, the Union of Post Office Workers agreed to lift a four-year ban on the use of mechanised sorting equipment only last month, and this is being taken by the P.O. management as some evidence of union willingness to recognise how serious the present situation is. Because of the lifting of the ban several million pounds worth of equipment which has been lying under wraps at seven parcel and letter offices, should come into use shortly.

There are 12 letter sorting offices using the modern segregator, letter-facer and sorting machines. By 1980, there should be 70. On the parcels side, 12 of an intended 27 centres are already mechanised and another four are about to be. Eventually, the Post Office expects its mechanisation programme to save about 9,000 jobs.

These are some of the areas where the Post Office management is looking for cost savings, although there are obviously other ways it could economise: through, for example, a reduction in its publicity budget.

There is one, more significant problem area where Government help—although not in the form of a subsidy—is being sought. This is the P.O. pension fund, for which a deficiency of £1.1bn. was reported, for the first time, last year. For some time the Corporation has been trying to get State support for the funding of part of this shortfall.

Notional stock of Consols

Most of the deficiency relates to the service of P.O. employees before the Post Office became a public corporation in 1969. At that time the Government credited a notional stock of Consols to the pension fund in respect of this service. Unfortunately, with inflation, the pension fund's liabilities have gone up while the value ofthe Consols has fallen. As a result, the funding arrangements of the pension scheme are hopelessly inadequate.

The Post Office's argument is that, since so large a part of these liabilities stem from a period before the Corporation came into existence, the sums involved in meeting them—some £100m. last year—should be provided by the Government. The alternative is that the Post Office will have to pass them on to its customers.

Until the Government makes up its mind about the pension fund, and the Government and the POUNC together decide whether a reduced postal service is tolerable, it is impossible to be certain about the size of the price increases which will come in this autumn. But there can be no doubt at all that they are on the way or that there will almost certainly have to be more next spring.

MEN AND MATTERS

Sporborg's two views of Sheffield Twist

With the initial period of SKF's agreed offer for Sheffield Twist Drill and Steel running out to-morrow, some word on the subject from Shirley Williams would be appreciated by those concerned. At the moment shareholders of Sheffield Twist are in an unusual position, both not knowing whether the bid will be referred to the Monopolies Commission and also knowing no more about Thorn Electrical Industries' role other than its declared intent to bid—providing there is no Monopolies reference—in cash, and more cash than SKF. Given the imponderables, SKF's merchant bank, Hill Samuel, says it is pleasantly surprised by what acceptances are coming in.

Thorn's bank is Hambros, which yesterday announced it had bought its client 785,000 Sheffield Twist shares. Hambros had to make the announcement, since both the Takeover Panel and the Office of Fair Trading decided that Thorn's unconventional approach of saying it would bid, but not actually doing so until it had heard from Mrs. Williams, nevertheless put it technically into a bid situation.

At Hambros, though not involved directly in the banking tactics, is Henry Sporborg, enjoying a unique view of this interesting situation. Sporborg is chairman of SKF (U.K.). He is also deputy chairman of Thorn.

The secrets of the Thorn Boardroom are, of course, quite safe, he says, and equally it is not SKF (U.K.) that is bidding, but the Swedish parent company, so he thinks there need be no real conflict of interest.

The opposition has interpreted Thorn's tactics as putting up a smokescreen to prevent Sheffield Twist, competitor of the Thorn *subsidiary Clarkson, from falling* into such powerful hands as SKF. But Sporborg, says Thorn, saw the advantages of owning Sheffield Twist almost as soon as it went into the small tools business by buying Clarkson at the beginning of 1974. It did not bid because it felt a Monopolies Commission reference would be inevitable. Now that SKF has bid, the monopoly position is altered, so Thorn sees its chance.

The question is whether Thorn's appeal to nationalism pays off. Mrs. Williams, who has had a report on the *situation* from her civil servants at the Office of Fair Trading, is not the Minister to take the foreign ownership decision, this being one for the new Minister at the Department Eric Varley. Anthony Wedgwood Benn was one of the Ministers involved in blocking SKF's last U.K. expansionary moves, in ballbearings, in 1969. Varley might take the same line this time, with thoughts about this bit of Britain's industry falling into Swedish hands. But it is not a line which squares easily with Harold Wilson's new pride in foreign investment here.

Equality

Some seven years ago, Betty Lockwood went into a bank and asked to open an account. She was in turn asked for a male guarantor. Her fury extended sensibly to the taking of business elsewhere. Attitudes have been changing, but only a couple of weeks ago, she heard of a young woman who wanted to buy a motor cycle being asked again for a male guarantor.

That proves, says Miss Lockwood, that legislation is necessary to push society along. It is a process in which she will play a major role as chairman of a new Equal Opportunities *Commission "to work towards* the elimination of discrimination." It will oversee the new Sex Discrimination legislation which should be operative at the end of this year, as well as the existing and updated Equal Pay Act.

A Yorkshirewoman, Miss Lockwood had spells as a shop assistant and local government employee before a year of economics and political science at Oxford. She then joined the Labour party organisation, finally rising to be chief woman's officer of the party, where she has been a member of Labour's study group which reported on sex discrimination.

"He can't tell the politicians from the ads—they're all trying to sell him something!"

Foaming

Hard to adjust to the topic on such a pleasant day as yesterday, but representatives of the cavity foam insulation industry were rushing around London delivering (or trying to deliver) foam to MPs and leaving a *sample on the doorstep of* Environment Secretary Anthony Crosland's home.

On the face of it, cavity foam is a good way of saving on heating bills. It is claimed that on the average semi, £120-worth of work will save up to 30 per cent. on fuel costs annually. The trouble has been that, in a depressed building industry, the sudden boom in such insulation has led the Environment Department to instruct local authorities to apply strict controls.

The result, says the Cavity *Foam Insulation Association,* is that under-manned councils are reluctant to consent to specialised work, and an "almost complete standstill" has come to the business.

Thus yesterday's protest. John Baker, founder and vice-chairman of CFIA, agrees that "cowboys" have tarnished the image, but says problems have only been arising in three installations per thousand, "a much better track record than for other building materials."

CFIA, unimpressed by DoE promises of slight relaxations *in the regulations which will* take six months to activate, suggests predictably enough that installers should stand approved by virtue of association membership, with the attendant insurance scheme. This pays out, a spokesman for CFIA pointed out carefully, even if the installer's firm folds.

Be specific

Gwyn Morgan, Chef de Cabinet to George Thomson, a British member of the European commission, trying to pin down a questioner at a City occasion yesterday: "Are you frustrated—or are you being interfered with?"

Observer

Next month sees the first Soviet-U.S. manned space mission. **Michael Donne** assesses the significance of the project for the future

Journey into space for East-West detente

THE TECHNICAL count-down *for one of the most significant* manned spaceflights yet is now well advanced. The *mid-July* rendezvous and docking in earth-orbit of an American three-man Apollo spacecraft with a Soviet Union Soyuz two-man craft will be the world's first international manned space mission.

The Apollo-Soyuz Test Project (*or ASTP as it is now com*monly called) is more than just a technical link in the world's two biggest space programmes. It had its origins in discussions begun in 1969 between the U.S. National Aeronautics and Space *Administration and the Soviet* Academy of Sciences on the possibilities of collaboration across a wide spectrum of space science and its applications. But the *idea* was enthusiastically taken up by former President Richard Nixon as part of his plan for detente and eventually embodied in a much wider agreement on U.S.-Soviet space collaboration that he signed in Moscow with Premier Kosygin on May 24, 1972. From that point on, the U.S. was committed to the *ASTP* as much for political reasons as for the original scientific and technical ones.

Welcomed

While the cost of the mission has been criticised by some in *the U.S. (the U.S. taxpayer is* paying more than $250m. towards it), the project has been welcomed by many for a variety of reasons. NASA itself has been at pains to stress that the ASTP will be of value in its own right, *helping to fill some of* the gaps in knowledge about manned spaceflight. It will help keep alive skills developed through the Apollo manned moon-landing programme, and the *later Skylab* earth-orbiting laboratory programme which *ended in 1973, that* would *not* otherwise be employed on manned spaceflights until the start of the Space Shuttle missions in 1978.

By developing compatible techniques of rendezvous and *docking in space* by craft built under widely different conditions *in the two countries*, the possibility of one country being able to undertake the "space rescue" of another's astronauts in trouble is enhanced. And, more significantly, the project opens the way to further joint *ventures*. Once the basic obstacles are removed through the ASTP, it is argued, a wide range of joint "space options" is open to the two countries. *These could include further* manned earth-orbiting spaceflights in big laboratories and unmanned interplanetary probes. So far, no such further *ventures have been outlined*, but it is expected that the space scientists from both sides will meet later this year to study joint manned spaceflights for *the later 1970s and 1980s*.

Finally, the aerospace manufacturers *in* the U.S. have welcomed the ASTP, because of the continued volume of work it gives to space technologists who have been having a difficult time because of cuts in the overall NASA budget. Universi*ties and other academic bodies* world-wide have welcomed it, too, because of the scope it gives for further extra-terrestrial research.

The mission itself *is likely to* be as dramatic as any past *manned spaceflight*, with the world once again being treated to a television spectacular, covering the launching through to the rendezvous and docking, with live pictures of the astronauts greeting each other, and the final separation and splash-down. Just how far the world *will be given direct pictures of* the hitherto highly secret Soviet space facilities remains to be seen, but certainly the U.S. intends to put on the *biggest show it can*.

The nine-day mission will start with a Soyuz spacecraft being launched from Baikonur in Kazakhstan on July 15. A few hours later, it is planned, will come the launch of the *Apollo spacecraft from Cape* Kennedy, Florida. Two days later, the two craft will rendezvous in space and then dock, this being followed by a series of exchange visits between the three American and two Soviet astronauts. The five men will jointly undertake a series of *scientific studies in space*, and will part after about two days —the Soyuz craft to return to Earth almost immediately, landing back in Kazakhstan on *July 21 after having been in* orbit for about 142½ hours, while the Apollo craft will remain in orbit for a further 3½ days for an additional range of scientific experiments before splashing down in the Pacific Ocean *near Hawaii on July 24*.

Leader of the U.S. space crew in the *Apollo-Soyuz* project, Brigadier-General Thomas B. Stafford (left) with his Soviet opposite number, Colonel Aleksei Leonov, during training. The Americans have spent up to six hours a day learning Russian, and the Russians English.

The U.S. crew will be led by Brigadier-General Thomas B. Stafford, 45, of the U.S. Air Force, one of the world's most experienced astronauts, with nearly 300 hours in space including an *Apollo* Moon-orbital flight. His Command Module *pilot* will be Mr. Vance D. Brand, 44, and the Docking Module Pilot Mr. Donald K. Slayton, 51. Although highly trained pilots and astro*nauts, having served as back-up* crew members for earlier manned spaceflights, both Mr. Vance and Mr. Slayton will be making their first rides in space.

The Soviet crew will com*prise Air Force Colonel Aleksei* Leonov, 41, and a civilian engineer, Mr. Valeri Kubasov, 40. Both are experienced in spaceflight. Col. Leonov was the first man to take a "walk in space" when he flew in the Voshkod 2 orbital flight in March, 1965, while Mr. Kubasov has *flown* on earlier *Soyuz* manned Earth-orbital missions.

Each crew has several back-up crews training alongside it, so that in the event of sickness *or other problems before the* flight a full back-up crew can step into the spacecraft and take over. All these astronauts have visited each other's country in recent months, and there should be no language *problems during the flight*. The Americans have learned fluent Russian, sometimes devoting six hours a day to it, and the Russians English. Indeed, extensive measures have been taken to ensure that even on the ground throughout the flight there *will be plenty of* technicians around who can speak the other's language.

Most of the experiments that will be performed will be either medical or scientific, the first designed to help determine *whether long spaceflights can be* harmful to man. Despite all the manned spaceflights so far, amounting to several thousands of man-hours in earth-orbit or on flights to the moon, knowledge of the effects on mankind *is still considered minimal*, and every opportunity must be taken to increase it.

The ASTP astronauts themselves will not be exposed to unnecessary hazards but canisters of biological matter will be carried on the spacecraft with minimal protective shielding to ascertain the effects of prolonged spaceflight on it. The scientific experiments will cover a wide range of activities, from extra-terrestrial photography and earth-observations through to measuring X-rays and ultra-violet radiation.

Less tangible

In terms of direct technical value, the ASTP is perhaps not likely to yield the same volume of new knowledge as some of the previous manned space *flights to the moon or the Skylab* earth-orbiting laboratory programme. The main benefit is likely to be the less tangible one of establishing a much closer relationship with the Soviet Union in space affairs, *opening the way to other*, perhaps more ambitious, ventures in the future.

In fact, on a technical level, much more information is already flowing between the two countries as a result of other aspects of the original *NASA-Academy of Sciences* studies (which themselves were *given* more tangible form in an agreement signed between the two bodies in January, 1971). This provided for co-operation in the fields of space meteorology, the study of the natural environment, the *exploration of near-earth space*, the moon and the planets, and *co-operation* in *space* biology and medicine. Joint working groups from the two countries have been engaged in all these fields.

Look different

So far, however, there has not been a direct exchange of experiments with joint satellites or the satellites of one country *carrying the experiments of the* other, and even in the ASTP each side is constructing its own hardware in its own way, although it is based on specifications *agreed jointly*. *Thus*, the two spacecraft will look very different as they orbit locked together. Furthermore, each country continues to run its own space programmes very much in its own way, with a good deal of competition still evident, for example, in some of the deep space probes to distant planets.

Thus, although co-operation has come a *long way since* the first informal exchanges between NASA and the Academy of Sciences in 1969, there is still a long way to go. The ASTP is nevertheless a major step forward in interna*tional space collaboration*, and for that reason alone it seems likely to capture the imagination of millions around the world as they watch their television screens in six weeks time.

Letters to the Editor

The Shotton work force

From the Chief Executive, Clwyd County Council.

Sir,—I have read with interest your articles of June 2, 3, and 4 concerning future investment in the steel industry and the fears of Teesside. *I would offer the* following comments, particularly *in regard to the references* made to Shotton steelworks.

The Welsh Office of the Labour Party has rightly stressed, as we have, that development of steel-making at Shotton would provide much needed flexibility and *profitability for British Steel* Corporation. The suggestion, however, that development at Teesside could be phased seems to have been misjudged in north east England.

Development at Shotton is, we believe, essential to the interests of the BSC but the value of Redcar is mainly in the long *term. A study of the relative* costs of the plants illustrates this. An integrated plant of 2.05m. tonnes capacity could be established at Shotton for a mere £129m. compared with the proposed works at Redcar producing 12m. tonnes at a cost of £1.5bn. *This point is emphasised* when it is considered that the £150m. scheduled to be spent shortly on one blast furnace at Redcar would more than suffice for the entire Shotton modernisation programme.

The current economic situation and immediate prospects surely dictate that investment at Shotton must be given the highest priority. It should, however, be emphasised that this investment would in no way preclude the full development of Redcar into the biggest steelmaking centre *in Europe. Rather, investment* at Redcar should be seen in the long term when markets and the demand for steel have stabilised.

Jobs lost

The comments of several Teesside MPs particularly those of Mr. Ian Wrigglesworth — "We must show the strength of feeling on Teesside about the future of the complex. We have lost about *8,000 jobs since 1968, so we have* just as good a case as Wales"— disregard the fact that Shotton would be the hardest hit of any area in Britain under the steel rationalisation programme (as BSC has readily agreed). The Shotton area alone would lose *7,500 jobs if steelmaking* is ended, whereas Teesside would have a net gain of 1,500 jobs in the long run. But Teesside is not likely to suffer a shortage of jobs *since it has very good* prospects for industrial development, and we should not lose sight of the fact that major private investment is planned *for the area. Indeed, in an article* in your newspaper of May 18, 1974, Mr. Colin Baker, chairman of the Northern Economic Planning Council (and he ought to *know if anyone does) made refer*ence to a probable shortage of skilled labour for the BSC Redcar complex and the offshore oil industry in the north east where 10,000 more skilled men would be needed by 1976.

In addition, the North of England Development Council, in its annual report of May 16, 1975 (as reported by the Guardian of May 17, 1975), stresses that future employment *prospects for the north east are* [illegible]ery favourable. The chairman, [illegible]uncillor Derek Foster, empha[illegible] this: "In the energy field, [illegible]rn region is now un[illegible]'s importance to [illegible]s a primary [illegible]gh its natural gas network, nuclear power plants, conventional electricity generating stations and the glittering bonus of pipeline oil from the North Sea, still to come." The NEDC report also states that, in 1974, enquiries *about development prospects rose* sharply, while unemployment rose less severely than in Britain generally. In addition, 4,000 civil service jobs have been *promised by the Government*, and enquiries have been received which could mean 9,000 new jobs. In contrast, Shotton is faced with the prospect of at least 7,500 direct and indirect redundancies, many of them highly skilled.

When all the facts are considered, it is becoming increasingly obvious that there is an overwhelming case for investment in steelmaking at Shotton on both economic and social *grounds. Should Teesside, with* all the massive investment which is planned to go there, begrudge a mere £129m. of the £1.5bn. which is planned for the Redcar complex? Teesside will gain 1,500 jobs in the steel industry in any case, together with the con*siderable number to be provided* through private investment. Shotton, on the other hand, will lose 2,000 jobs even if new investment in steelmaking takes place and would lose 7,500 jobs if steelmaking is ended.

We believe that the Government will see the economic sense and the justice of the case, and Teesside should also.

T. M. Haydn Rees.
Clwyd County Council,
Shire Hall,
Mold.
Clwyd.

Inflation and pensions

From the Chairman, Harris Graham and Partners.

Sir,—While I fully support Mr. Burton (June 9) I would go further. I do not believe that inflation alone *will be the main* reason for employers not wishing to contract-out though I agree that it would be a powerful-enough incentive. On present day values, a contracted-out plan will probably find it more costly to provide the minimum benefit required than *the saving* in contributions to the state scheme allowed in the Bill. I believe this has two main causes:

(a) The Bill evidences a double standard in that a contracted-out plan must provide more than twice the benefit for long-service employees that the state scheme would provide for the period of contracted-out service;

(b) the Government Actuary has assessed the reduction in contributions from the effect the reduction will have on the state scheme, which is unfunded. *This is an under*standable but hardly a practical yardstick as the plan which is to contract-out has an entirely different view-point.

Unless the Government provides a real financial incentive, I believe *that any assurances* on protection against inflation will not make any difference. I would place the difficulties relating to inflation as next in order of priority and here again, an important point of principle appears to have been submerged. *Final pay pension plans have* assumed a greater relevance because of the problems of inflation. Current levels of inflation and the inability of pension plans to *cover inflation by investment* income will ultimately bankrupt every funded plan in the country.

Inflation can only be controlled by the Government's own economic policy and this has been high lighted by the protection required for the guaranteed minimum pension (and given to the additional component) in the new state scheme. Unless the Government is able to reduce in*flation to a more sensible level*, it has an obligation to provide pension plans with an inflation-proof investment similar to the recently announced SAYE and *pensioner investment schemes*. Only then will the employer with a private pension plan assume the financial responsibilities required of a contracted-out plan with any confidence at all.

I would also draw your attention to the graduated scheme which terminated on April 5, 1975. The regulation-making power given in Clause 23 of the Bill is intended to be used to protect pensions emerging from *the graduated scheme against in*flation. While no-one would quarrel with that aim, I am concerned that no similar protection is to be given to the equivalent *benefits arising from plans* contracted-out under the National Insurance Acts. Effectively, this is retrospective legislation and it will ultimately result in contracted-out employees being substantially worse off than their contracted-in *colleagues. In registering this* protest, I believe there is a valuable lesson to be learnt when an employer looks at the new state scheme with a view to contract-out.

I do not think the Government appreciates the effect that the consequent reduction in private plan benefits will have on the savings generated in the United Kingdom for long-term investment. The Bill was presented to *Parliament on February 27*, and the Government intends Royal Assent to be obtained by July 11. I believe this is too important a measure for such haste and for such unreserved acquiescence.

M. J. Crossley.
30, Queen Anne's Gate,
Westminster, S.W.1.

Poverty in old age

From Mr. D. Edwards.

Sir,—Legislation on the Social Security Pensions Bill could hardly have been timed better had it been *deliberately* intended to minimise publicity. The Committee Stage began immediately after one recess, the Report Stage begins immediately *after another. Bearing in mind* the long term effect that this legislation will have, it is unfortunate that discussion has been so muted.

Your correspondent (June 9) indicates that the Bill does not *fulfil its purpose*, that is to take poverty out of old age. At the same time it raises the contributions levied on employer and employee which must inevitably *make it less easy to raise addi*tional revenue to improve the lot of current pensioners at any time in the future. There can be little to recommend a Bill which fails in its *fundamental* purpose.

The Bill switches the cost of current State pensions from those who are to be contracted out of *the new state scheme to those* who are not contracted out. With inflation at its present rates, the dangers of contracting out are such that few private employers dare take the open-ended risks involved. It is difficult not to draw the conclusion that this Bill *is to relieve civil servants* and others in public employment from paying their share of the cost of current state pensions. In the case of many public servants the cost *imposed on* these contracting out, in relieving them of the part of the cost of present pensions, is that they shall belong to a pension scheme but unlike the private scheme this is one to which neither they nor their employer contributes, the benefits *from which* will ultimately be drawn from taxation. The implications of permitting public service to defer some of its costs in this *way appear second only to those of the* recent Pensions Increase Act in their inflationary effect.

The fundamental difficulty about the new Bill is that it *promises what cannot now be* delivered without making provision for how it will be possible for its benefits to be delivered when they arise. The only indication of how inflation-proofed benefits can be delivered arises from the provision that any *employer contracting out of the* Government scheme must not only provide adequately for his own pension scheme, taking actuarial advice, but also be prepared that (if inflation requires it or the failure of investments to match inflation make it necessary) the Government may when the employer ceases to contract out reach through his pension fund and into the employer's own resources to *make good any inadequacies that* may have arisen possibly as a result of the Government's policies.

The way in which pension *funds have been maintained and* kept solvent over many years has been something of which many people associated with such funds have been justifiably proud. They have, however, always felt able to fall back on a rule providing that the employer could elect to cease pension fund contribu*tions if conditions became too difficult*. Such a rule will not in future *protect*, *an employer* whose scheme is contracted out. It is open to question how far this will bankrupt companies and lead to their obligations being assumed yet again by the taxpayer. For Government to abrogate responsibility for controlling inflation and ask *employers to save* employees from its effect is a curious way of governing.

Is it now time for Government to enter the field of earnings related pensions at the expense of the present generation of pensioners, and also possibly the *long term solvency of companies* who may be pressed to contract out by their employees despite the fact that there can be little financial justification for such an act?

David A. Edwards.
The Pyghtle,
95, Bromham Road, Bedford.

The debate on Mr. Stonehouse

From Mr. J. Strafford

Sir,—Few people could have had much sympathy with John Stonehouse when the "Stonehouse affair" began, and even fewer with his complaint that the Establishment "were out to get him." In view of the total *lack of help and co-operation* by the U.K. authorities to enable Mr. Stonehouse to travel to the U.K. in order to speak in the Commons debate on his possible *expulsion*, there must now be some doubt as to whether there is not an element of truth in what he said. This doubt can only be erased by allowing Mr. Stonehouse *to speak to his* fellow MPs in Parliament. The House of Commons should therefore adjourn the matter until he has the opportunity to do so.

John E. Strafford.
"Perema," Fulmer Road,
Gerrards Cross, Bucks.

To-day's Events

GENERAL

British Rail holds talks with rail unions leaders aimed at stopping threatened *strike*

TUC Economic Committee discusses social contract.

Mr. Yitzhak Rabin, Israeli Prime Minister, begins talks with President Ford, Washington.

Mr. Ismail Fahmi, Egyptian Deputy Premier and Foreign Minister, continues talks with Government Ministers in London.

Sir Eric Drake, chairman of *British Petroleum*, addresses European Atlantic Group meeting, House of Commons.

International Monetary Fund interim committee meeting concludes, Paris.

PARLIAMENTARY BUSINESS

House of Commons: Remaining Stages of Social Security Pensions Bill. Motion on EEC Document on Economic Policy Guidelines.

House of Lords: debate on result of Referendum on EEC; debate on parole system.

OFFICIAL STATISTICS

U.K. balance of payments (first quarter).

SPORT

Cricket: Prudential World Cup continues.

COMPANY MEETINGS

Abrasives International, Welcombe Hotel, Stratford-upon-Avon, 10.30.

Bowring (C.T.), Vincula House, E.C., 12.

Combined English Stores, Dorchester Hotel, W., 12.

Gerrard and National Discount, 32, Lombard St., E.C., 12.

Gieves Group, 87, Eaton Place, S.W., 12.

Johnson (C.H.), Excelsior Hotel, Manchester Airport, 12.30.

Metal Closures, Inn on the Park, W., 12.15.

Morris and Blakey Wallpapers, 10, Belgrave Square, S.W., 12.

Nathan (B. and I.), Abercorn Rooms, E.C., 10.

Newmans Tubes, Birmingham, 12.30.

New Schibaieff Petroleum, 4, York Road, S.E., 12.20.

North Caucasian Oilfields, 4, York Road, S.E., 12.

Southend Stadium, Southend, 11.30.

Spillers; Painters' Hall, Little Trinity Lane, E.C., 12.

Telephone Rentals, 107, Knights*bridge*, S.W., 12.

Upton (E.), Middlesbrough, 7.30.

Winston Estates, 10, Bolton St., W., 12.

COMPANY NEWS + COMMENT

Travis & Arnold falls to £2.6m.

BUILDERS MERCHANTS and timber importers, Travis and Arnold, reports turnover up slightly from £31.03m. to £32.08m. for the year to February 28, 1975, and taxable profits of £2.63m. compared with £3.91m., after £0.69m. against £0.93m. for the first half.

The directors say that the reduction in profit is primarily due to action taken to eliminate some £600,000 of pre-tax profit generated in the previous year which was in excess of the level allowed under the counter-inflation legislation of 1973.

This position has now been corrected, but involved reductions in selling prices which, owing to the sharp fall in demand did not result in the usual compensation of higher sales.

Earnings are shown to be down from 20.6p to 14.6p per 25p share. The dividend is lifted from 2.608p to the maximum permitted 2.887p net, with a final of 2.31p.

Tax for the year takes £1.36m. (£2.13m.) and extraordinary debits £18,745 (£2,546). The attributable balance is £1.26m. (£1.76m.) of which £1.08m. (£1.6m.) is retained.

Page, Calnan and Company, a wholly owned subsidiary reports sales of £2.83m. compared with £2.77m. and profit of £273,343 against £282,320 before tax of £142,765 (£196,715). An extraordinary credit adds £18,745 (debit £27,769) and £70,123 (£70,836) is retained.

The dividend is 45 per cent. gross (50 per cent.).

The extraordinary item for 1975 represents a net profit on sales of freehold property.

● comment

Travis and Arnold ended 1974-75 nearly a third down pre-tax—a slightly greater drop than at the half-way stage. But whereas the main influence in the first half was margin adjustments required by the Price Commission, the second-half decline was principally explained by a sharp fall in demand and margins on the timber side, traditionally about half the group's business. Price cuts here resulted in stock losses of probably between £300,000 and £450,000. Activity on this side is still at a depressed level, but sales of building, heating and plumbers' materials are so far "quite well ahead" of a year ago. Moreover, in 1975-76, the group will not be faced with the margin problems and consequent profit reduction of a year ago. Overall, the group is hopeful that profits can be increased, and while a yield of 6.6 per cent. at 68p is hardly exciting for the sector, the cover is 5.1 times.

AVP DIVIDEND

The Board of AVP Industries has convened a meeting for August 5 to consider recommending a final dividend on the Ordinary shares for the year to March 31, 1975.

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Scotcros ahead to £0.6m.

A 15 PER CENT. pre-tax profits increase to £600,663 on a 10 per cent. rise in turnover—against a background of improving liquidity—is reported by Scotcros, the food and engineering group, for the year to March 31, 1975. At mid-way profit was £227,000 against £206,000.

And the company has sold its six cash and carry depots to the Booker McConnell group for approximately £500,000 "to finance expansion for other more profitable group operations, including our other interests within the food industry."

Holders are to receive the maximum permitted final dividend of 1.817p per share (1.672p), bringing total dividends for the year to 2.417p (2.222p) net. Stated earnings per 25p share rose from 4.2p to 5.0p.

Cash and carry held Scotcros back from even bigger profits by some £60,000, says the Board, as "profit margins available to a minor operator in this market are insufficient to finance internal growth."

Trading results since the year end show continuing growth and the directors see no reason to expect less than a satisfactory result for the year as a whole.

	1974-75 £	1973-74 £
Group sales	20,443,000	18,325,000
Profits	773,771	637,338
Food division	322,447	446,437
Food services and engineering	451,324	190,156
Subs. sold or closed	—	28,745
Net interest payable	173,108	136,510
Profit before tax	600,663	520,828
Taxation	314,713	274,076
Extraord. debits	31,106	3,805
Pre-acquisition profit	—	10,295
Attributable	254,844	232,952
Preference dividends	25,096	25,098
Ordinary dividends	126,830	116,596
Retained	102,918	91,158

● comment

Scotcros has decided to cut its losses and pull out of cash and carry, where the turnround of £90,000 to a £60,000 loss last year accounted for the lion's share of the £126,000 decline in profits from the food division. The food services and engineering operations on the other hand put up an impressive performance with profits 150 per cent. higher. Here, packaging products for the food industry showed very good growth along with a modest increase from refrigerated lorry bodies and a turnround to profit from food preparation equipment. Without the cash and carry operation estimates of at least £¾m. pre-tax for this year do not seem excessive on current trading, particularly as bank borrowings were £½m. lower at March than the £0.6m. of a year ago, and there is the £½m. injection from the Booker deal since then. The shares are evidently traded in a thin market, but nevertheless the yield is 11½ per cent. at 34p.

Arenson's first half expansion

FOR THE six months to January 31, 1975, profit before tax of office furniture and equipment manufacturers, A. Arenson (Holdings) expanded £70,000 to £204,000 on turnover up from £2.77m. to £3.17m.

The Board does not anticipate that the second half will show the normal growth pattern experienced in previous years.

More difficult trading conditions are being encountered during the second half as home market customers reduce their stocks in the light of the economic and political difficulties.

Although overseas sales are gathering momentum they are not yet able to take up the reduction in home market demand. Having now achieved the required stock levels to support overseas operations, production levels are being adjusted to fall in line with current demand, states the Board.

Earnings are stated at 3.15p (2.43p) and the interim dividend is raised from 0.6174p to 0.6289p net. The Board expects to at least maintain the final dividend (1.1738p). Last year's total payment of 1.7912p was paid from profits of £868,538.

	Six Months 1974-75 £000	Six Months 1973-74 £000	Year 1973-74 £000
Turnover	3,171	2,788	7,676
Profit before tax	304	234	859
Tax	158	122	432
Attributable	146	112	417
Dividend cost	29	28	82

● comment

Arenson's first half pre-tax profits growth of 30 per cent. is right in line with the previous two halves but sales growth has dropped from an average 55 per cent. to only 14½ per cent., and the second half is clearly going to be disappointing. Exports, some 8 per cent. of turnover last year, cannot fill the gap left by destocking among U.K. distributors and at reduced capacity working the group may well show lower second half profits. At 40p, over a fifth below the year's high, the shares yield 7 per cent.

Chamberlain Phipps down by £0.57m.

SECOND HALF profits of Chamberlain Phipps fell sharply from £1.11m. to £412,241, leaving the total for the year ended March 31, 1975, down from £1.85m. to £1.28m.

Chairman, Mr. W. R. F. Chamberlain, explains that in the second half profit margins, which were already controlled by legislation, came under pressure from rising costs and increased competition, and certain parts of the group developed rather severe trading difficulties.

The profit was struck after interest charges doubled at £648,576. After tax and minorities the net attributable balance emerged at £566,448, against £694,316.

Earnings per 10p share are stated at 2.54p (3.18p). The dividend is raised effectively from 1.61432p net to 1.74096p with a final of 1.29298p.

The chairman points out that the global trade recession has affected every market in which the group operates and during the year the U.K. footwear manufacturing industry, its principal market, became increasingly concerned with the high level of shoe imports.

During the year 48 per cent. of the group's pre-tax profit was earned from its trade with U.K. footwear manufacturers, 10 per cent. from exports, 24 per cent. from its trade with other industries in the U.K. and 18 per cent. by the overseas companies.

Mr. Chamberlain says that the present economic scene makes even short-term forecasting extremely difficult because costs continue to rise and there is stiff competition for lower volumes of business. In these circumstances, he finds it difficult to be optimistic about prospects for the first half of the current year. While inflation continues at its present level, it is not possible, he says, to predict the year's outcome, although he remains confident in the longer term prospects.

	1974-75 £	1973-74 £
Turnover:		
Home	33,401,854	27,694,930
Export	3,979,192	3,771,949
Total	37,381,046	31,466,879
Trading profit*	1,898,759	2,155,403
Share of associates	25,673	18,960
Interest payable	648,576	321,655
Profit before tax	1,275,856	1,852,708
Taxation	638,001	1,061,058
Net profit	637,855	791,650
Minorities	71,407	97,334
Attributable	566,448	694,316
Extraordinary debits	61,511	†233,772
Pref dividends	9,625	9,625
Ordinary	381,809	347,987

* After depreciation £1,356,116 (£1,656,465). † Credits.

● comment

Having regard to Chamberlain's main customer area—the shoe manufacturers, the textile and automobile industries—a fall in profits was very much on the cards. The problems within these industries have been well aired and so a 63 per cent. fall in second half profits was not a shock to the market and the shares held steady at 27p, where they yield 10.4 per cent. Although there are a couple of interesting new developments, particularly in the field of "metalised paper" from the German subsidiary, the general trading picture is not one for optimism, and in the current six months CP will have to work hard to climb much above the preceding period. The case for recovery in the latter part of this year depends to a great extent on a general pick-up in the economy, but at least the destocking by shoe retailers should be at an end. In the meantime, Courtaulds' stake (nearly a fifth) gives a speculative appeal, though firm intentions are lacking.

Nation Life distribution position

A claim was made yesterday by Mr. David Jackson, chairman of the Nation Life Policyholders' Protection Committee, that policyholders could not expect to receive any of their money back this year. This was immediately refuted by the liquidators Cork Gully.

Mr. Jackson maintained that his own legal advice, based on the evidence available to him, has concluded that an initial distribution will not take place before 1976, even though there is £13m. of cash at the liquidator's disposal.

A spokesman for Cork Gully, however, said that the position had not changed since the statement issued last month. This was that agreement had been reached to by-pass the complicated legal procedures whereby the Registrar of the Chancery Court would have to examine the liquidator's application for directions as to the disposal of assets and the rights of policyholders. The application is now to be heard directly by a judge and it is hoped that this will be dealt with before the summer recess. A payment should be made very shortly after a decision has been given.

Mr. Jackson says that it is intolerable that the Government and the insurance industry should have allowed this distressing situation to continue for 12 months. Policyholders still have no clear indication of their position. A spokesman for the British Insurance Association pointed out that all rescue operations over the past year had been mounted not by the insurance industry as a whole but by individual consortia of insurance companies.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alpine Soft Drinks	3.8	—	3.4	5.6	5.2
A. Arenson ...... int.	0.63	July 7	0.62	—	1.79
Atlantic Shipping	14.6	July 25	13.79	14.6	23.5(b)
J. W. Cameron ...... int.	1.25	July 18	0.93	—	2.97
Carless Capel & Leonard	0.44	July 23	0.41*	0.75	0.69*
Chamberlain & Phipps	1.29	Aug. 4	1.16*	1.74	1.61*-
Chloride Group	2.43	—	2.26	3.39	3.11
Dartmouth Investments	0.49	—	0.45	0.88	0.82
Doornfontein Gold	60c	Aug. 7	65	110	100
East Driefontein ...... int.	30(c)	Aug. 7	20	—	55
Eastern Transvaal	20(c)	Aug. 6	16	25	20
Elson and Robbins ... int.	1	July 11	0.9	—	2.39
Gordon Johnson-Stephens	1	—	0.95	1.5	1.45
Harrisons and Crosfield	12.01(a)	Aug. 3	22.01	12.01	22.01
Hartebeestfontein	150(c)	Aug. 6	110	215	160
Hill Samuel	2.51	July 28	2.22	3.56	3.27
Ingersoll Group	1.37	—	1.25	1.37	1.25
Kloof Gold Mining	30(c)	Aug. 7	50	55	79
Land and House ...... int.	1.72	July 4	1.58	—	3.52
Libanon Gold Mining	60(c)	Aug. 7	63	110	100
Johnson Matthey	5.23	—	5.64	10.23	9.39
Mellas	0.27	Sept. 5	—	1.55	1.43
Mountview Estates	0.65	Aug. 15	0.59	1.00	0.94
Ocean Wilsons (Hldgs.)	1.13	Aug. 5	1.35	2.13	1.95
Scotcros	1.82	—	1.67	2.42	2.22
Shires Investment 1st int.	1.4	July 31	1.4	—	5.6
Travis and Arnold	2.31	—	2.08	2.84	2.61
Venterspost Gold	30(c)	Aug. 7	55	70	75
Vlakfontein Gold ...... int.	10(c)	Aug. 7	15	—	25
West Driefontein	275(c)	Aug. 7	260	485	430
Zandpan	21.5(c)	Aug. 6	19	35.75	37.8(d)

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For six months to end 1974. (b) Including special payments totalling 9.7125p of which 2.125p related to 1972-73. (c) South African cents. (d) For 18 months.

Cameron up £118,000 mid-term

BREWERS AND wine and spirit merchants J. W. Cameron and Co. announces taxable profits for the half-year ended March 30, 1975, of £906,000 compared with £778,000 for the previous corresponding period.

Given earnings have risen from 3.4p to 3.9p per 25p share and the interim dividend is raised from 0.93p to 1.25p net. Last year's total was 2.97p from profits of £1.95m.

Turnover in the period increased by 30 per cent. Demand for the company's beers increased by 9 per cent. in volume, compared with the national average increase of 1 per cent. "We have every confidence that given reasonable economic conditions this trend will continue," say the directors.

	Half year 1974/5 £000	Half year 1973/4 £000	Year 1973/4 £000
Turnover	11,200	8,602	18,890
Pre-tax profit	906	788	1,951
Tax	464	403	1,013
Attributable	442	385	*908
Pref. div.	11	11	22
Ord. div.	137	102	326

* After charging property valuation costs of £30,000.

● comment

J. W. Cameron's above-average volume growth, which has pushed up pre-tax profits by 15 per cent., is all the more impressive in the context of highly competitive trading in the North East, particularly in the free trade. On the production side, the group's new brewhouse has made a substantial difference but rising costs elsewhere have lowered pre-tax margins by over a tenth to 8.1 per cent. The main problem at the moment is post-Budget consumer resistance to price increases—the retail drink price index has already risen by over a sixth in the first half of the year. No further news is forthcoming on the outcome of bid talks with Ellerman Lines, but at 110p, the yield is 4.7 per cent. while net asset value on the last balance sheet was 152p.

Statement, Page 22

Alpine Drinks advance

COMPARED with the half-time forecast of an increase, pre-tax profit of Alpine Soft Drinks expanded from £443,843 to £504,879 for the year to March 29, 1975. There was a small second-half decline from £172,071 to £169,801.

And for the current year the directors forecast a satisfactory increase in profits, subject to unforeseen circumstances.

Stated earnings per 10p share are up from 9.45p to 10.65p and the dividend total is the maximum permitted 5.6p, against 5.2p, with a final of 3.8p net.

The improvement of 13.9 per cent. in trading profits for the full year is a remarkable achievement in such an unsettled financial climate, they say.

Since the beginning of March the company has found that conditions in the industry have become more stable, in particular the availability and price of sugar, bottles and other raw materials now allows planning forward with a greater degree of confidence.

● comment

Within Alpine's 42 per cent. increase in sales lies a 15 per cent. volume gain. Despite building delays of two new depots in Scotland, sales both there and in South Wales (the two new areas of operation for Alpine) got off to a good start. Profits, on the other hand, were virtually unchanged in the second half after an interim jump of 24 per cent., because of soaring sugar costs which clipped profit margins in the latter part of the year to 6.9 per cent. against 10.1 per cent. in the comparable period. The March round of price increases, which still leave Alpine's prices very competitive, has brought profitability up to the previous levels, and with the planned number of delivery rounds increasing by nearly a quarter this year pre-tax profits may well climb above the £0.6m. mark. At 76p, a yield of 11.9 per cent., covered twice, is a more than fair return for a promising future.

ISSUE NEWS AND COMMENT

Akroyd & Smithers introduction

Brokers Hoare and Co. Govett have completed arrangements for the introduction of the issued share capital of Akroyd and Smithers, consisting of £2m. in Ordinary 25p shares.

Akroyd acts as stock jobbers dealing in gilt edged securities, including all British Government and Commonwealth and Corporation stocks, some 3,250 commercial and industrial prior charges and a large cross section of equity stocks totalling about 2,100.

Jobbers rely mainly on their dealing profits for their income. Dealing profits depend on turnover combined with the jobber's ability both to anticipate market movements and to achieve the right position either bull or bear.

Turnover of the company has moved from £10.74m. in the period to September 30, 1971, to £6.84m. for the 25 weeks to March 20, 1975. During the same period profits before tax have risen from £4.23m. to £5.66m.

No profits forecast has been given for the current year but the directors expect to pay total dividends of 12.5p per share.

● comment

Although the trading periods are not strictly comparable, Akroyd's outstanding growth in its first half against poor showings from both Wedd Durlacher and Smith Brothers tends to suggest something outside general trading. It is felt that the views of Akroyd, during the first half were spot on as far as gilts were concerned. As at the start of the second half the bull position was almost 50 per cent. higher than it had been in the past so Akroyd is continuing to take a strong view on the market. This is fine if they get the market right but as dealers rather than traders the effects can be even greater if the market moves against them. But to be fair the record holds up well with the current dividend more than 1¼ covered in all but one of the past five years. As for the likely share price, the yield seems the best yardstick and since Smith Brothers yields about 11½ at 44½p an opening price around 170p is suggested for Akroyd.

Prospectus, Page 23

SHORT-TERM LOCAL LOANS

Arrangements have been completed for the placing of the following local authority loans.

Bedfordshire County Council (£¼m.), London Borough of Croydon (£1m.), Borough of Ipswich (£¼m.), Leicester City Council (£1m.), Newbury District Council (£¼m.), Stevenage Borough Council (£1¼m.), City of Edinburgh District Council (£2m.), City of Aberdeen (£¼m.), Beverley Borough Council (£¼m.), London Borough of Hammersmith (£¼m.), Monklands District Council (£¼m.), Wakefield Metropolitan Borough Council (£¼m.), Bracknell District Council (£¼m.), Ipswich Borough Council (£¾m.), Ashford Borough Council (£½m.), Cygnor Dosbarth Dwyfor (£¼m.), Thurrock Borough Council (£¼m.), Wimborne District Council (£¼m.), Knowsley Metropolitan Borough Council (£1m.), Borough of Milton Keynes (£¼m.), City of Norwich (£1m.), North Shropshire District Council (£¼m.), Borough of Grimsby (£¾m.), Borough of Derby (£1m.), are all issuing 11¾ per cent. bonds due June 16, 1976.

WATER STOCKS

The offer for sale by tender of £1.6m. of 9 per cent Redeemable Preference Stock 1980, by Folkestone and District Water Company attracted applications for £3,577,400 of stock. The average price obtained was £100.3874 and the lowest price to receive a partial allotment was £100.26.

The offer for sale by tender of £1.25m. of a similar stock by North Surrey Water Company attracted applications for £3,162,600 of stock. The average price obtained was £100.436 and the lowest price to receive a partial allotment was £100.27.

Dealings in both stocks will start to-day. Brokers to the issues were Seymour, Pierce and Company.

LINFOOD—93%

Linfood Holdings announces that of the 1,486,741 ordinary shares offered by way of right on the basis of one share for every four held at 125p per share, approximately 93.2 per cent. was taken up.

The new Ordinary Shares not taken up have been sold at a premium in the market and the net proceeds will be distributed to shareholders entitled thereto, except that no payment will be made for an amount of less than £1.

Growth seen at Capper-Neill

SUBJECT to no unforeseen circumstances in the current year, profits of Capper-Neill should show a further increase, Mr. W. P. Capper, chairman, confirms in his annual statement.

He reports that during 1974/5 the group increased considerably its worldwide site construction operations and also improved its export performance.

The directors plan to continue this policy during the present year which started with an order book exceeding last year's sales figure and worldwide, a market full of opportunities. During the current year performance has not been restricted by cash flow or liquidity problems nor are such problems expected in the foreseeable future, he adds.

As reported on May 30, pre-tax profit increased from £807,177 to a record £1.41m. and dividends are up from 2.192p to 2.375p net.

Mr. Capper says that as a result of vigorous marketing overseas, group export sales rose by 97 per cent. to a record £4.97m. The majority of the increase is attributable to expanding site construction activities for worldwide markets.

Chairman's statement, Page 19

Chloride up 19% after static second half

A NEAR-STATIC second half profit of £8.26m. has left the **Chloride Group** 19 per cent. ahead from £13.67m. to £16.23m. for the year ended March 31, 1975. Interest charges were more than doubled to £4.52m.

Although the company (*which* makes rechargeable batteries and associated products), expects the world recession to impinge on business for a further 12 months, it is helped by its product categories not having identical *economic cycles*, say the directors. The company faces with confidence the economic challenge which lies ahead, they add.

Earnings per 25p share, before tax, are shown to have increased from 18.3p to 19.2p and after tax *from 9.7p to 10.8p. A final* dividend of 2.4861p net as forecast increases the total from 3.1146p to the maximum permitted 3.3861p.

At the halfway stage the directors said they expected subsidiary and *associated companies outside* the U.K., which accounted for 50 per cent. of group pre-tax profit during 1973-74, to provide an increased proportion of profit during the year.

In the event associates increased their contribution from £353,000 to £897,000. An amount of £441,000 had been allowed for U.K. redundancy payments.

The *directors state* that investment in new plant, buildings and equipment during the year was £10.5m. and a similar level of expenditure is planned for 1975-76. Chloride "firmly believes in investing during a recession to ensure that capacity is available in times of peak demand." The Group has recently announced its decision to build a motive power *battery factory near Manchester*, costing up to £12m. over three years.

Borrowings at the end of March are in line with the Board's expectations at the time of the Rights Issue in November 1974, they add.

In 1974-75 U.K. companies contributed 49 per cent. of operating profit and companies outside the U.K. contributed 51 per cent.

	1974-75 £000	1973-74 £000
Sales	181,986	124,941
Operating profit	19,853	15,413
Share of associates	897	353
Interest	4,523	2,101
Profit before tax	16,227	13,665
U.K. tax	2,165	2,523
Overseas tax	4,525	3,820
Associates tax	339	177
Net profit	8,960	7,145
Minorities	466	593
Issue expenses	252	—
Profit on share sales*	—	9
Provsn. against assoc. inv.	—	123
Attributable	8,242	6,438
Dividends	2,932	2,179
Retained	5,310	4,259

* After U.K. tax £1,000.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TODAY

Interims:—Bluemel Bros., Tobacco Securities Trust, United States and General Trust.

Finals:—Anthony Carrimore, Armitage Shanks, Bucknall Trust, M. and G. Second Dual Trust, Minster Assets, Peglar-Hattersley, Petbow Holdings, R. and J. Pullman, U.K. Optical and Industrial Holdings.

FUTURE DATES

Interims:—

Bremnall Beard	Jul. 3
Cronite	Jun. 30
Dennis (James H.)	Jun. 13
Lonsdale Universal	Jun. 16
Watson and Philip	Jul. 10

Finals:—

Batleys of Yorkshire	Jun. 20
Carclo Engineering	Jul. 1
Hardman (Thomas)	Jun. 19
Imp. Continental Gas Assoc.	Jun. 24
Lyons (J.)	Jun. 19
Pickles (William)	Jun. 17
Sketchley	Jun. 17
Unigec	Jun. 13
W.G.I.	Jun. 19

Atlantic Shipping

Atlantic Shipping and Trading Company reports profit before tax for the year to March 31, 1975 up from £434,987 to £491,429.

The dividend is 14.6p net. Last year's total was 23.5p which included 7.5p from a surplus arising *on the sale of M.V. Exning and* 2.2125p in respect of 1972/73 paid to avoid *shortfall* assessment.

After tax of £200,288 (£167,002) the net balance emerges up from £267,985 to £291,141.

Good outlook at London & Lennox

Providing there is a reasonable political and economic background Mr. W. R. Watson, chairman of **London & Lennox Investment Trust**, says the outlook for the *current year's revenue is good*.

During 1974-75 the directors chose to concentrate on two essentially long-term problems, the first being the revenue account. They felt that a conscious effort should be made to increase future dividends at a reasonable rate and were particularly aware that the impression of strength given in the previous year's figures had been substantially due to *abnormal* liquidity and high interest rates. As a result the company committed rather over £1½m. into generally high yielding U.K. shares and sold £1m. of the lower yielding shares.

It may be that new legislation regarding "B" shares will further complicate the situation next year but at this stage the directors are hopeful for further dividend growth.

The second area was the financ*ing of foreign investment.* Mr. Watson points out that London & Lennox has historically held a large foreign portfolio and it was agreed that this policy should continue. By September, however, the investment dollar premium, *had risen so much that the sterling* value of the premium amounted to over 20 per cent. of net assets. Accordingly it was decided to take out a further dollar loan with a view to repatriating $1m. of dollar premium and placing the proceeds on deposit in the U.K. *This manoeuvre* was restricted in size by the company's borrowing powers.

It is proposed to increase the borrowing powers and if this i approved, it is intended raising another loan to further reduce *the company's exposure to the* dollar premium.

The company entered the current year with about 85 per cent. of assets invested in equities (80 per cent.). These figures are slightly deceptive in that the *sterling deposit against the new* loan is included and the chairman feels it would perhaps be more relevant to bear in mind that there was only 5 per cent. of total assets actually available for investment. The company is, there*fore, fairly fully invested with* rather over 50 per cent. of i assets abroad.

As reported pre-tax revenue declined from £220,307 to £194,977 in the year ended March 31, 1975. The dividend is raised from 1.5p to 1.65p *net*.

Meeting 2, St. Mary Axe, E.C., July 3 at 11.30 a.m.

Gordon Johnson Stephens up by £40,335

From increased turnover, pre-tax profit of Gordon Johnson-Stephens (*Holdings*), which manufactures equipment for the poultry industry, rose from *£311,843* to a record £332,178 during the year to February 28, 1975, after a marginal rise to £130,374 at half way.

In a statement last month, announcing a one-for-two Rights *issue to raise £300,000*, the directors reported that unaudited pre-tax profit indicated a result "not less than" the preceding year. The profit is struck after deducting interest charges up from £47,419 to £89,993.

Earnings per 25p share are shown to be up from 9.8p to 11p basic and from 8.2p to 9.3p fully diluted. Dividend total is up from *1.445p to 1.5p net with a final* of 1p.

Shepperton Studios may get offer

A bid of over £1m. is expected to be made for Shepperton Studios by the new owners of **British Lion Films**, next month.

The new owners, Mr. Barry Spikings and Mr. Michael Deeley, bought the company last week in a £1,241,000 deal from Lion International.

They want the studios to make their own films and to carry on the profitable policy of renting Shepperton to independent producers and directors.

Mr. Spikings said yesterday: "We cannot make any official approach over the studios until after June 30, when Lion International's *shareholders will* be asked to give the final approval of our buying British Lion Films."

Hill Samuel down 15%

NET PROFITS (before exchange surplus) of the **Hill Samuel Group** emerge 15 per cent. lower at £5.29m. for the year ended March 31, 1975, compared with the March 1975 forecast of a fall of about one-third.

Including an exchange surplus of £449,000 (£904,000) brings the figures up to £5.74m. (£7.14m.).

The banking group, excluding investment results, shows a small increase over the corresponding profit for last year. *Results of* realisations and unrealised losses on the general investment portfolio show a loss after tax of £826,000 against a profit of £473,000 in 1973-74.

The insurance and shipping group has again achieved a record profit, nearly 10 per cent. better than last year, and now accounts for 50 per cent. of *group after tax* profits before interest and exchange surplus, the directors state.

Earnings per 25p share, before exchange surplus, is stated at 9.05p (11.12p), and after exchange surplus at 9.82p (12.73p). The dividend is raised by the permitted maximum—from 3.2744p to 3.5568p net, with a final of 2.5063p.

	1974-75 £000	1973-74 £000
Banking profit	3.729	3.677
Investment loss	826	*473
Insurance & shipping profit	3,102	2,837
Invest. management profit	79	213
Making	6,284	7,150
Loan interest	988	917
Profit before exch. surplus	*5,296*	*6,233*
Exchange surplus	449	904
Profit after tax	5,745	7,137

* Profit.

The Banking profit is shown after transfer to reserve for contingencies.

*At March 31, 1975, group bal*ance sheet totals, including Hill Samuel Life Funds of £231m., were £1.17bn., compared with £1.28bn. a year ago. The decrease results primarily from a reduction in Banking assets.

Meeting, 100, Wood Street, E.C., July 17, at noon.

See Lex

Scottish Heritable sees lower profit

The profits of **Scottish Heritable Trust** in 1975 will be "satisfactory," but may show a reduction on 1974 figures, says chairman Mr. A. C. Duncan.

He adds that provided no further economic difficulties arise the group should again show growth in 1976.

The group is constantly looking for new developments in property and investment but does not propose to proceed on any of these unless on a pre-let and possibly pre-sold basis.

In common with all other businesses the group is experiencing rising costs and while in the past these could be offset by increased turnover and increased profit margins, the latter *option* is now withdrawn by Government regulations. The group is now obliged to reduce its margins. It would therefore appear that the only course available to the group is to continue to seek increased *turnover; and this the directors* are endeavouring to do.

The hairdressing supplies divi*sion is now trading "extremely"* well and Mr. Duncan anticipates further improvement during the current year. The group has a total of 21 cash and carry units in the hairdressing trade from Dundee in the north to Plymouth in the south and has extended its Family Fresh shops to a total of eight in Scotland. The group *is still looking for suitable sites* to extend its operations further.

The balance sheet reflects the efforts which were made during 1974 to reduce borrowings—down from £1.26m. to £715,403—while still continuing to exploit assets *to the full. The reduction in bor*rowings is considered satisfying in view of the high interest rates which prevailed during 1974, Mr. Duncan declares.

Pre-tax profit for 1974, reported May 16, rose from £433,062 to £503,883 and the *dividend* is stepped up from 1.347p to, a maximum permitted, 1.49p net.

Meeting, Glasgow, on July 2 at *noon*.

Chairman's statement, Page 20

Dartmouth Investments advance

Compared with the mid-term forecast by **Dartmouth Investments** that profits for the year to March 31, 1975 should produce an "acceptable" increase, a rise *from £182,206 to £240,090 is now* reported.

Earnings per 5p share are *shown to have risen from 1.32p* to 1.65p and the dividend is lifted from 0.62305p to a maximum permitted 0.6775p with a final payment of 0.489p net. A one-for-eight scrip is also proposed.

The dircetors state that with regard to the fraud (whereby a substantial export contract entered into by a subsidiary had to be rescinded) that is in existence a comprehensive E.C.G.D. insurance policy and they are advised that a substantial but yet unquantified sum is recoverable. This will reflect in this year's accounts.

Current year *strategy is* to increase profitable turnover which combined with substantial reduction of overheads should enable increased profits to continue, they add.

	1974-75 £	1973-74 £
Turnover	4,209,000	3,761,000
Interest charges	89,993	47,419
Pre-tax profit	352,178	311,843
Overseas tax	24,871	47,186
Deferred tax	146,400	54,780
Preacq. profit	—	4,625
Minorities	1,333	466
Retained	127,788	158,758

Fourth quarter downturn at Johnson Matthey

FOURTH QUARTER *profits of the* **Johnson Matthey** group of precious metal refiners, etc., were lower at £4.24m., compared with £5.09m., leaving the total for the year ended March 31, 1975, at £17.14m., compared with £15.2m.

Earnings per £1 share are stated to be up from 42.2p to 48.9p. The dividend is raised *from 9.394p to 10.226p* net, *with* a final of 5.226p.

	1974-75 £000	1973-74 £000
Profit before tax*	17,139	15,200
Taxation	8,769	7,969
Net profit	8,370	7,231
Minorities	66	57
Extraordinary item	580	—
Dividends	1,745	1,605
Retained	5,979	5,569
Fixed assets	19,469	17,095
Investments	*12,157*	*13,643*
Net current assets	70,978	48,692

* Struck after debenture and other interest of £3,728,000 (£1,497,000) and *Depreciation of £1,918,000 (£1,383,000)*.

Comparative figures for 1973-74 have been restated as a consequence of changes in accounting policies. The tax attributable to base stocks, since their inception, has been added to the value of stock instead of deducted from reserves. Provision has also been made for deferred tax.

*Invoiced sales of the group, ex*cluding Johnson Matthey Bankers, were £327.16m. (£276.25m.).

Precious metal stocks are valued at base prices plus attributable taxation. If market prices had been used the amount on the *balance sheet would have been* higher by £15.77m. (£18.98m.).

See Lex

L. Lipton liquidity satisfactory

Group liquidity of L. Lipton is probably as satisfactory as it has ever been in the course of the past few years, reports Mr. L. Lipton, chairman, in his annual statement.

Because of the general economic uncertainty prevailing at the moment, he considers it unwise to make a forecast for the current year, but the company's policy continues to be one of *providing as up-to-date a fleet as* possible, despite the steep rise in the replacement costs of fork lift trucks.

Referring to 1974, the chairman says it was a continuation of the previous year's recovery and the *number of hires and hire revenue* reached a peak level. However, costs which were rising steadily during the first half, continued increasing at a higher percentage rate than the growth in hire income.

This has meant that, as with many other companies, the results for the year, although satisfactory in themelves, "do not fully reflect the overall reward for the general level of business." The steady improvement in 1974 of the *aluminium products side and the* carburettor division is "gratifying."

As reported on May 23, turnover advanced from £3.09m. to £4.1m., pre-tax profit increased from £256,240 to £401,240 and the dividend is up from 2.215p to 2.4p net.

An analysis of turnover and pre-tax profit shows: *fork trucks* £3.93m. (£2.95m.) and £383,940 (£244,998), aluminium products £175,243 (£134,145) and £17,300 (*£13,242*).

A Statement of source and application of funds shows a decrease in net *liquid funds of* £65,587 (increase £51,784).

Contractors Services Group *holds* 10.85 per cent. of the *capi*tal. Meeting, Gerrards Cross on June 30 at 2.30 p.m.

Marginal increase at Mountview

IN LINE with midway expectations, taxable profits of property dealers etc., **Mountview Estates**, *show a marginal increase from* £301,354 to £306,323.

Earnings are shown to be up from 6.02p to 6.12p per 5p share, and, following a forecast of not less than last time's 0.93625p, the dividend total is 1p net with a *final of 0.65p*.

	1974-5 £	1973-4 £
Group trading profit	732,329	722,491
Interest received	*5,528*	*6,500*
Interest charges	101,256	100,693
Profit before tax	636,801	628,598
Taxation	330,478	327,234
Net profit	306,323	301,354
Interim dividends	17,500	17,506
Proposed Final	32,500	29,312
Retained in reserve	2,000	2,008
Carried forward	1,734,295	1,479,862

Reports to meetings

Mr. C. T. Wells, chairman of **Empire Stores**, told the annual meeting that so fa rthis year sales had been reasonable, but comparisons were distorted to a certain degree due to the three-day *week last* year.

There was every sign, however, that the rising level of unemploy*ment and the general abolition of* overtime together with short ime working, was having an effect on the purchasing power of the customers.

Based on this economic background, "it is more difficult than ever before to forecast the year ahead," said Mr. Wells.

Sir Hugh Weeks, chairman of **Electrical and Industrial Securities**, said that the board expected in 1975 to maintain a higher proportion of sales for direct and indirect exports.

He also drew attention to the group's strong liquid position and the strong and potentially profitable order book and said that results so far this year "well confirm" the earlier confidence.

At the meeting of **Office and Electronic Machines**, the chairman, Mr. E. Markus, reported that "*turnover for the first five months* of this year, which includes three months of the Imperial operation, had been better than expected, and helped to support his forecast for 1975 in his statement with the accounts. Nevertheless, "we are well prepared for any changes in the economy," he added.

Mr. Markus said the company's conservative approach to finance was standing it in good stead in *current difficult times* "and we look forward to the future with confidence."

Mr. K. Newton, chairman of **Garnar Scotblair**, reported that demand for raw material and for a wide range of specialised leathers has shown *considerable improve*ment, particularly from overseas.

The important export sales of *the group remained at a high* level. Profitability continued on a similar pattern to last year and "we are optimistic for the *future,*" *he told members.*

The chairman of **T. C. Harrison**, Mr. T. C. Harrison, said that *profits for the first four months* of 1975 were "nicely in excess of those for the comparable period in 1974," but because of the economic situation he was not prepared to make a forecast for the year as a whole."

No less profit for Firmin

Although inflation causes "much anxiety" the current year results of **Firmin and Sons** should be at *least as good as those for 1974*, says the chairman, Mr. W. L. Barrows.

As reported on June 3 group pre-tax profit increased from £216,780 to £256,993 for the past year, the net dividend is raised from 5.05p to 5.522p, and a one-for-one scrip issue is proposed.

Accounts adjusted for inflation show pre-tax profit on a CPP basis of £229,000 (£244,000); net assets of £647,000 (£547,000), and earnings per share 14.5p (17.4p).

Net liquid funds increased by £131,000 (£63,000), which, says Mr. Barrows, should enable expansion to take place without recourse to members for cash.

An analysis of group direct exports—badges, buttons and military ornaments—in percentages shows Africa and Middle East 62; North America 26; Far East 8; Europe 2; Australia and New Zealand 2.

Mr. Barrows, who is nearly 70 wishes to retire at end-1975. Meeting Birmingham, July 9 at 12.15 p.m.

Carless Capel jumps £1m.

THE "VERY satisfactory results" expected by **Carless Capel and Leonard** for the year to March 31 1975, turn out to be an expansion in turnover from £10.43m. to £19.07m., and a jump in pre-tax profits from £1.19m. to £2.18m. after £0.93m. against £0.33m. for the first half. A rights issue to raise some £1.97m. is also announced.

Earnings are shown to have more than doubled from 3.1p to 6.6p per 10p share and the dividend is stepped up from an adjusted 0.6922p to 0.7512p net with a final payment of 0.4453p.

The rights issue—on the basis of one for three at 40p—is to holders registered on May 30. The new shares are payable in full on acceptance by July 7. The issue has been underwritten by Lazard Brothers and Company. Brokers to the issue are Lawrence Prust and Company.

A circular letter and Provisional Allotment Letters will be despatched on June 16, 1975. Dealings in the new shares are expected to begin on June 17, 1975.

The directors say that opportunities have recently presented themselves for the Company further to expand its business, particularly that of processing gas condensates derived from the North Sea. Although sufficient facilities are available for present throughput, the anticipated increase in production will necessitate expansion of processing and storage facilities at the Harwich Refinery and an associated increase in working capital.

In the absence of unforeseen circumstances, the Directors expect to recommend dividends for 1975-6 totalling 1.5p per share, on the capital as increased. This increase has received Treasury approval in the context of the rights issue, subject to any change in legislation.

On prospects the directors report that the company has made a good start to the current year, but it is too early to predict the results.

The figures for 1974-75 benefitted from the upsurge in world oil prices, but the increasing scale of operations contributed substantially. They are confident that progress will continue and that the increased dividends for 1975/76 will be amply covered. The new plant to be financed with the proceeds of the issue will, when it comes on stream in late 1976, provide the capacity for further growth, they add.

	1974-5 £000	1973-4 £000
Turnover	19,069	10,427
Profit before tax*	2,184	1,192
Taxation	1,202	733
Net profit	982	459
Preference dividend	5	6
Extraord. debits	89	3
Attributable ordinary	888	450
Ordinary dividends	111	102
Retained	777	348

* After special contributions to pension scheme £0.65m. (£0.2m.) and exceptional depreciation £0.41m. (£0.24m.).

● comment

the oil crisis and its sequel, **Carless Capel's** pre-tax profits are 84 per cent. ahead, after a midway rise of 187 per cent., including another hefty dose of special and exceptional provisions. Both volume and exports have been buoyant, the latter trebling to 16 per cent. of turnover. While the second half took in a mild winter for fuels, falling naphtha prices and sluggish demand for solvents, the real impact of declining activity in the chemical industry may only be felt in the current year. At any rate, the group's £1.97m. rights issue is a cautious enough move, for a strong cash flow and rapid stock-turn has eliminated an end-1974 £1m. overdraft. News of oil discoveries failed to impress the market last night and, having quadrupled so far this year, the shares dropped 3p to 66p where the prospective ex-rights yield is 3.9 per cent.

£11½m. by Harrisons & Crosfield

FOR THE period July 1 to December 31, 1974, turnover of **Harrisons and Crosfield** amounted to £253m. and pre-tax profit was £11.49m. Earnings per £1 share are stated at 60p.

These figures include the parent company and certain subsidiaries for the six months to December 31 1974, the results of Sabah Timber Company for the year 1974, and those of Durham Chemical Group for the nine months to end 1974. December 31 will now be the financial year end for all companies in the group.

A calculation of the results of the group for the year 1974, based partly on management accounts for companies other than Sabah Timber Company, shows pre-tax profits of £15.26m., and earnings per share of 88p.

For the year ended June 30, 1974, turnover was £342m. Operating surplus £20.18m., taxable profit £19.57m., and earnings per share 60p.

The dividend is the maximum permitted 12.0133p net for the six months compared with 22.0143p for the previous year. The cost is £639,059 (£1,392,364) after deducting £123,705 in respect of the final dividend for 1973-74 waived by holders who took shares in lieu.

● comment

Once again the **Harrison** results are difficult to unravel but it seems clear that earnings are still rising fairly rapidly. This year the timber operations—both in the U.K. and in the Far East—should start to show some recovery, and could well gather some sort of pace by 1976. The commodity prices important to Harrison (rubber and palm oil) remain relatively strong so general merchanting retains a steady economic base to work from. In the U.K. the group has growth problems. But at £9¼ an annualised yield of 3.8 per cent. is very solidly covered.

BIDS AND DEALS

Granada enter record field

GRANADA GROUP, after a number of years of looking for the right opportunity to enter the record field, is buying control of **Transatlantic Records and Heathside Music**, a private independent concern.

The deal will bring into Granada such singing names as The Dubliners, Ralph McTell, The Pentangle and Gryphon. Others are the Portsmouth Sinfonia, the Pasadena Roof Orchestra and the Scots comedian, singer, Billy Connolly. Two particular successes of Transatlantic last year were Billy Connolly's double album and a mid-price record by Joshua Rifkin, a pioneer in the U.K. of Scott Joplin piano rag music.

Financial details have not been disclosed, but arrangements entail Granada taking a 75 per cent. stake in a new company set up to take in Transatlantic, which is a recording and record distribution company, and Heathside, which publishes popular music. The balance of 25 per cent. will be owned by Mr. Nathan Joseph, who founded the record company in 1961. He will become managing director of the new company and will also go on the Board of Novello, Granada's existing music publishing subsidiary.

In addition to record distribution in the U.K., Transatlantic markets its own material worldwide, having its own labels in such countries as France, Japan, Germany, Scandinavia, Australia, New Zealand and Holland.

Both Transatlantic and Heathside have also moved into the theatrical area with the acquisition of publishing and recording rights in the West End musical, the Black Mikado.

ESTATES & GEN. MEETING MAY BE ADJOURNED

An adjournment appears to be in prospect of to-morrow's extraordinary meeting called by **Estates and General Investments** to seek shareholders' approval of the proposed reverse take-over deal with **County and Suburban Holdings**. Estates and General is bidding for the unquoted County and Suburban against an issue of shares which would give the latter a 36.4 per cent. holding in its enlarged capital. C. and S. is controlled by Mr. Peter Prowting, his family and family trusts and Prowting Holdings, which has already acquired 29.8 per cent. of the existing E. and G.

Last night, E. and G. stated that, on the hearing of the Notice of Motion in the High Court yesterday morning, it was agreed by the parties, without prejudice to the contentions of any party on the motion, or in the action, that an adjournment should be sought of the E. and G. extraordinary meeting fixed for June 12. This was in order that further circulars might be sent to stockholders relating to the proposed merger with C. and S.

In a letter to shareholders on June 4, support for the merger was urged by Mrs. R. J. Davidson, who has become deputy chairman following the resignation of Sir Leonard Dyer, the chairman, because of ill health.

It is understood that certain E. and G. shareholders had been seeking an injunction to adjourn the meeting so that they could first circulate comments on the proposals as put to shareholders.

BOVIS

The Takeover Panel has decided that **Bovis** does not have to make a bid for shares in **Winchester London Trust**, the former Poonmudi Holdings hotel concern, in which it has a 29 per cent. stake.

The question of a bid was raised recently by a Winchester shareholder at the annual meeting after pointing out that Mr. Neville Vincent, Bovis's chairman, also owned Winchester shares (about 2.5 per cent.) and was also on the Winchester Board.

However, in a statement yesterday Bovis said that the Panel had ruled that since Bovis and Mr. Vincent—who may be deemed to be acting in concert—together owned just over 30 per cent., such shares as would reduce the aggregate holding to below that level should be sold.

The Panel has accepted that Bovis never intended to get itself into a position where it might be necessary to bid, having bought only 29 per cent. from Mr. Sidney Jefcoate, Winchester's managing director, in May 1974, in order to avoid such a situation. Bovis did not realise that Mr. Vincent also owned shares.

Bovis, a subsidiary of P & O, added in its statement that the requisite number of shares had now been sold.

Commission favours Dentsply bid

By Nicholas Leslie

If the proposed bid by **Dentsply International**, of the U.S., for **AD International**, a leading British dental supply manufacturer—announced last August and later referred to the Monopolies Commission—does not take place "there would be some detriment of the public interest."

This is one of the conclusions reached by the Monopolies Commission in its report on the proposed merger. Clearance of a merger by the Commission was announced in the House of Commons last month and the report published yesterday outlines evidence taken by the Commission, together with its conclusions.

It is somewhat unusual for the Commission not only to clear a proposed merger but also to be actively in favour of it, particularly since it is an overseas company aiming to take over a British concern.

But the circumstances surrounding the reference of Dentsply's proposed £14m. offer were also somewhat unusual in that it was clear that national rather than monopoly considerations were behind Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, deciding in November on a Monopolies probe.

The commission says the only potential detriment to the public interest was the possibility of Dentsply using its substantial market power to adopt unacceptable pricing policies in the U.K. But it does not consider such a detriment can be regarded as an overriding argument against the merger.

Its view is that the potential detriment is outweighed by advantages likely to arise. These include (a) benefit to ADI's research and development in the U.K.; (b) improvement in the management, general efficiency and productivity of ADI; and (c) gain to the U.K. balance of payments through reduced imports and increased exports.

The Commission thus feels there could be a detriment if the merger does not take place "in that there would be an advers effect on ADI's overseas business and on the U.K. balance of payments."

It therfore concludes that ADI coming under the control of Dentsply "does not operate, and may not be expected to operate, against the public interest."

A spokesman for Hill Samuel, Dentsply's advisers, said yesterday that the report would have to be fully studied before any decision was taken on a bid for ADI.

SHARE STAKES

Amalgamated Industrials has acquired a further 2.24m. Ordinary of **Derritron** making its total holding 9.4m. (78.56 per cent.).

Chamberlain and Phipps—Courtaulds now holds 4,248,730 shares (19.03 per cent.).

Hewden Stuart puts up £3½m. for A. Gunn

A £3.5m. agreed cash and shares bid by **Hewden-Stuart Plant** for **A. Gunn (Holdings)**, the Altrincham-based construction equipment group, was announced last night.

Earlier in the day Gunn had disclosed that talks were taking place with an un-named party and its shares rose 4p to 68p. Terms of Hewden-Stuart's offer are worth 65p. They are one H-S share, down 4p yesterday to 60p, plust 5p in cash, for evry Gunn share.

Mr. John Gunn, the chairman of Gunn, together with his brother, Mr. Michael Gunn, and the third executive director, Mr. David Hanson, have given irrevocable undertakings to accept in respect of their holdings totalling 33.3 per cent. of the equity.

Another 24 per cent. of Gunn's shares are owned by United Dominions Trust.

Gunn, which showed continuous growth between going public in 1968 and March, 1974—profits rising from £102,000 to just over £1m.—is forecasting in excess of £750,000 pre-tax profits for the year to March, 1975.

Gunn shareholders will be entitled to participate in H-S's recently announced one-for-five scrip issue—the terms of the offer being adjusted accordingly. Gunn shareholders will also retain a second interim dividend of 1.8407p per share in lieu of a final dividend.

It is intended to extend the offer to Gunn warrant holders who exercise their right to subscribe for Gunn shares at 72.08874p per share. As an alternative, warrant holders will be offered 5p cash per warrant for transfer of their rights.

Gunn has been advised by Charterhouse Japhet and H-S by Gresham Trust, who will send out offer documents as soon as possible.

WBG 'YES' TO PENTOS

Following the announcement by Pentos on May 29 that its offer of 60p cash for each Ordinary share of 50p in cash for each £1 of 7¼ per cent. Unsecured Loan Stock 1988/93 of Wright Bindley and Gell had become unconditional, the directors of WBG (excluding Mr. P. M. North who is also a director of Pentos) have sent a letter to the shareholders and loan stockholders strongly recommending them to accept the offers.

The directors now intend to accept the share offer in respect of their own holdings totalling 28,983 shares. Shareholders holding a further 11 per cent. of the WBG capital have also indicated their intention to accept the share offer.

Pentos has agreed to amend the share offer so that all shareholders on the register on May 30, including those who accept the share offer, will now be entitled to receive the interim dividend of 1.5p (excluding Associated Tax Credits declared on May 14 and due to be paid on July 7).

Pentos has also agreed that the offers should now remain open for acceptance until June 30, 1975.

THORN HAS 5.8% OF SHEFFIELD TWIST

Thorn Electrical Industries, which on Monday confirmed that its planned counterbid for **Sheffield Twist Drill and Steel Company** would be above the proposed SKF offer of 77½p a share if the SKF offer was not referred to the Monopolies Commission, has bought some 5.8 per cent. of Sheffield's shares.

Hambros Bank yesterday disclosed that it had bought on behalf of Thorn 785,000 Sheffield shares at 72p a share. At the time of the purchase Thorn owned no shares in Sheffield.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	—	[illegible]	£32	Bell Canada ($25)	£32	[illegible]				
48	F.P.	—	56	55	Clive Discount (20p)	54	..	15	—	8.7	—
[illegible]	F.P.	—	[illegible]	[illegible]	[illegible]	£18½	−¼	[illegible]	—	4.4	—
R2	F.P.	30/5	365	295	Deelkraal Gold Mining	320	....	—	—	—	—
[illegible]	F.P.	—	154	120	Ewart New Northern	151	....	—	—	—	—
140	F.P.	20/6	171	154	Rank 'A'	165	....	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£1[illegible]	F.P.	—	[illegible]	98⅝	Agricultural Mortgage 11% 1978	100½	.....
£100	£25	11/6	65	41	Allied Irish 10% Conv. Uns 1985	41	−7
£100	£10	11/7	11¼	11⅛	Colne Valley Water 9% Red. Prf. 1980	11⅛	.....
£100	F.P.	6/6	152	121	Gestetner 'A' 10% Com. Uns. '90/95	126	−2
$98	F.P.	—	$98	$98⅛	Grangex 9½% Bonds 1985	$98	.....
£97½	£40	—	37¼	37	GLC 12½% Stk. 1982	38⅝	.....
[illegible]	F.P.	22/8	[illegible]	92	Greenwood & Batley 15% Uns. 1976	98½	.....
£99	F.P.	30/5	102½	98½	Lincoln Corp. 13% 1980	101	....
£99	F.P.	30/5	105½	101	Mid-Kent Water 10% Prf. 1980	104½	....
[illegible]	F.P.	23/5	105½	101¾	Mid-Southern Water 10% Prf. 1980	103xd	....
$100	F.P.	—	$101½	$100½	Norsk Hydro 9¾% Bds. 1985	$101¼	+½
£100	F.P.	21/5	125	106	N. Atlantic Secs. 7¾% Cnv. 95-96	119	−2
$98	F.P.	—	$99	$98½	Ottawa-Carleton 9% Deb. 1990	$98½	½
$99	F.P.	—	$101	$98½	Papua New Guinea 9¼% Guar. 1985	$101	....
£100	F.P.	—	105½	100	Rickmansworth & Uxbridge 10% Prf. 1980	103½	....
£100	F.P.	30/5	155	122	Slough Estates 10% Conv. Uns. '87/90	140	−1
£99½	£45	1/8	46¼	43½	Southend-on-Sea 12½% 1981	44½	.....
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104	.....
—	F.P.	18/4	105	101	Sutton District Water 10% Prf. 1980	101½	.....
£99¼	£65	11/7	65	65	Warwickshire 12⅝% Red. Stk. 1980	65	.....
£1	nil	24/6	10	5	Waterford Glass 10% Conv. Cum. Red. Pref.	5pm	−2
—	F.P.	14/2	90	80	Worth (Bonds) 12% Conv. Uns.	83	−5
£100	£50	2/10	57	67	Yorks Chems. 12½% Conv. Uns.	82	−2

"RIGHTS" OFFERS

Issue Price p**	Amount Paid up	Latest Renunc. Date		Stock	Closing Price p**	+ or −
100	F.P.	28/5	30/5	Ash & Lacy	138	−2
55	F.P.	16/5	2/7	Associated Biscuit	67	+1
43	Nil	—	—	Associated Engineering	15pm	−1½
101	F.P.	15/5	16/6	Aurora Holdings	115¼	.....
FF460	F.P.	—	—	Borel (Jacques)	£99⅞	....
55	F.P.	28/5	30/5	Cadbury Schweppes	45	−1
A$1.50	Nil	—	—	Commercial Bank of Australia	85pm	−15
45	Nil	—	—	Dupont	4½pm	..
25	F.P.	13/6	11/7	Elliott Grp. of Peterboro	8pm	−2
150	F.P.	10/6	12/6	Fairbaugh (Leonard)	170	....
175	F.P.	19/5	20/6	Guest Keen	244	−8
52	Nil	16/6	11/7	Hawkins & Tipson	15pm	−3
25p	Nil	—	..	Hestair	32pm	−3½
125	F.P.	4/6	6/6	Linread Hldgs.	160	−8
40	Nil	13/6	11/7	Macarthys Pharm.	14pm	−1
100	F.P.	28/5	30/5	Mauhre & Garton	124	.....
100	Nil	11/6	11/7	Marshalls Universal	23pm	−2
60	F.P.	21/5	23/5	Martin Black	107	+1
60	F.P.	16/5	13/6	Morgan Crucible	88½	−1
Kr200	Nil	—		Norsk Hydro	£26pm	.....
25p	Nil	10/6	12/6	Pahang Cons.	nil	...
105	Nil	19/6	17/7	Prudential Ass.	24pm	.....
47	F.P.	4/6	16/7	Richard & Wallington	63	−2
Kr[illegible]	Nil	—	—	S.K.F. "B"	200pm	....
300p	Nil	—	—	Siebens Oil & Gas UK	240pm	−20
95	F.P.	31/5	3/6	Simon Eng.	102	−4
315p	F.P.	9/6	11/6	Sun Alliance	410	−6
125	F.P.	30/5	3/6	Tarmac	133	−3
75	Nil	—	—	United Biscuits	21pm	−4

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital, cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1975. [illegible] ‡ Offered to holders of Ordinary shares as a "rights." ** Issued by way of capitalisation. [illegible] Reintroduced. [illegible] Issued in connection with reorganisation, merger or take-over. [illegible] Introduction. [illegible] Issued to former Preference holders. [illegible] Allotment letters (or fully-paid). [illegible] Provisional or partly-paid allotment letters. § With warrants.

MINING NEWS

Messina-Sabina find mineralisation

BY KENNETH MARSTON

ENCOURAGING drill results have been obtained by South Africa's **Messina** at the **Sabina** property at Navan in Ireland which is adjacent to the big zinc-lead discovery of **Tara Exploration**. Sabina reports that mineralisation has been encountered in each of the five boreholes so far completed by Messina, although no values are given. "Heavy mineralisation" is reported in two further holes and a second drill has been brought to the property.

Under the partnership, Messina can earn a 47.5 per cent. interest in the property. Sabina will retain a stake of 30.45 per cent. until such time as a mining go-ahead decision is made after which Sabina must provide a portion of the senior financing or have its interest diluted progressively to a minimum of 14.42 per cent.

Sabina also announces favourable drilling results from the Canadian McFinley gold property in the Red Lake gold camp of north-western Ontario where the company can earn a 60 per cent. interest. Results from two holes put down confirm the existence of a structure carrying low gold values over a wide width and further assay results are expected shortly.

At the Bathurst property in Gloucester County, New Brunswick, some 150,000 tons of ore grading a modest 1.23 per cent. lead, 1 per cent. zinc, 0.42 per cent. copper and 2.65 ozs silver have been indicated so far. Negotiations are nearing completion with an international mining company for the future financing and development of the property and further details will be announced shortly, it is stated.

The latest announcement failed to stimulate Sabina shares which fell 5p to 95p yesterday. Messina eased similarly to 325p.

ALUMINA PLANT FOR PHILIPPINES

According to aluminium industry sources an alumina venture on Mindanao Island in the Philippines is planned by a consortium of major companies. They are: **Kaiser Aluminum, Reynolds Metals, Comalco, Conzinc Riotinto of Australia, Holland Aluminium, Kobe Steel, Mitsubishi Chemical Industries and Nippon Light Metal.**

It is believed that the proposed big alumina plant will be supplied by bauxite mined by Comalco at the Weipa deposits in Queensland. Production could start from around 1980 at an initial annual rate of 800,000 tonnes and would be later expanded to some 4m. tonnes.

WITHOK DRILL

A high gold value of 4,503 centimetre-grams (1,036 inch-dwts) has been obtained in a deflection of borehole W.5 in **South African Land and Exploration's** Withok area. The borehole was originally put down in 1939 to test the Kimberley reef and it has been deepened to intersect the main reef.

Drilling is continuing, but it is pointed out that values on the main reef leader tend to be concentrated in shoots which are often narrow and with barren ground in between. And it is not possible to estimate the width and extent of the shoot now being drilled from the limited number of intersections obtained to date.

TIN OUTPUTS

In the last batch of May tin concentrate outputs from the Malaysian mines, Gopeng's eight-month total of 1,636½ tonnes compares with 1,679½ tonnes for the same period of the previous year to last June. The highest monthly output for Petaling since last November brings the company's seven-month total to 768½ tonnes, well up on the 469 tonnes for the corresponding period of 1974-75.

After the sharp improvement in production in April, the single-dredge **Tanjong** operation reports a disappointing 21 tonnes for last month although the output to date for 1975 of 147 tonnes is above the 139 tonnes for the same period of 1974. The latest production figures are compared below.

	May Tonnes	Apr. Tonnes	Mar. Tonnes
Gopeng	219½	[illegible]	207
Tanjong	21	[illegible]	[illegible]
Idris	[illegible]	[illegible]	[illegible]
Pengkalen	[illegible]	[illegible]	[illegible]
Petaling	124½	92½	98½

Good payment by Libanon

A GOOD showing is made by **Libanon** in the June dividend announcements of the gold mines in the **Consolidated Gold Fields** group. Forecasts of a final of 50 cents are surpassed by a payment of 60 cents (38p) which makes a total of 110 cents (69.7p) for the year that ends this month compared with 100 cents for 1973-74.

A similarly increased total for 1974-75 is reached by **Doornfontein** which has matched the less-ambitious expectations with a final of 60 cents (38p). **Kloof** is paying 5 cents more than was hoped for with a final of 30 cents (19p), but this still leaves the year's total at only 55 cents (34.9p) against 79 cents.

West Driefontein's final of 275 cents (174.3p) is below some expectations but it makes a good total of 485 cents (307.4p) against only 300 cents last time. **Venterspost's** 30 cents (19p) final to make 70 cents (44.4p) against 75 cents, comes into the middle range of estimates.

Of the interims, **East Driefontein** is paying 5 cents more than expected at 30 cents (19p); the final loan stock redemption is made on the combined units which also get a first dividend of 5 cents (3.2p) on their "A" share content. From August 8, the "A" shares will become ordinary shares. **Vlakfontein** is reducing its interim by 5 cents to 10 cents (6.4p).

	June, 1975 cents	Dec., 1974 cents	June, 1974 cents	Dec., 1973 cents
Doornfontein	60	50	65	[illegible]
East Drie.	30	25	20	10
Kloof	30	25	50	[illegible]
Libanon	60	50	65	[illegible]
Venterspost	30	40	35	[illegible]
Vlakfontein	10	20	15	[illegible]
W. Driefontein	275	210	260	[illegible]

In the **Anglo-Transvaal** group, **Hartebeest** has done better than expected with an increased final of 130 cents (82.4p) which makes 215 cents (136.3p) against 160 cents. **Zandpan's** total is lifted to 35.75 cents (22.7p) against 27 cents. The group's antimony-producing **Consolidated Murchison** is reducing its interim by 10 cents to 20 cents (12.7p); the 1974 total was 130 cents.

MINING BRIEFS

EX-LANDS NIGERIA—May production of Tin ore 51 tonnes (April 45 tonnes).

GEEVOR TIN—May: output in tonnes: ore treated 9,266, produced 72 Black Tin (6,390 Sn) including 7 low grade concentrates.

RAHMAN HYDRAULIC—May output of Tin 73 tonnes (April 71 tonnes).

KENT (FMS) TIN DREDGING—May Tin production 36½ tonnes (April, 35 tonnes).

ANGLO AMERICAN CORPORATION—Coal division sales outputs for May (figures in metric tonnes): South Africa: Bituminous: Amalgamated Collieries 549,113, Anglo Power 405,591, Bleskop 54,854, Coronation 146,554, New Largo 117,417, S.A. Coal Estates (Witbank) 176,093, Springbok 165,206, Vierfontein 118,224, Vryheid 68,910; Coke: May, 4,7[illegible]. Zululand Natal's Indumeni Collieries (coking coal) 32,283. Anthracite: Natal Anthracite 42,150. Balgray Collieries 20,559. Rhodesia: Wankie Colliery 216,352, coke 28,137. Swaziland: Swaziland Collieries 10,620. Botswana: Morapule Colliery 3,288. Group grand total 2,143,646 (April: 2,214,017).

Confidence at C. E. Heath

MR. F. R. D. HOLLAND chairman of C. E. Heath and Co., says in his annual statement that he is reasonably confident that further growth will be made during the current year.

Insurance broking activities had another "excellent" year in 1974-1975, showing a 30 per cent. increase to £6.53m., and in the current year the directors anticipate a further "substantial" rise in the group's brokerage income, he adds.

Underwriting operations also showed a slight increase last year despite a reduction in profit commissions of the Lloyd's underwriting agency.

A major investment during the year was to acquire the head leasehold interests in Millbourn House.

As reported on May 28 group pre-tax profit increased from £2.95m. to a record £3.51m. for the year ended March 31, 1975. The dividend total is raised from 5.613p a share to 6.102p a share net, the maximum permitted.

Meeting, Baltic Exchange, E.C., on July 3 at noon.

Chairman's statement, Page 18

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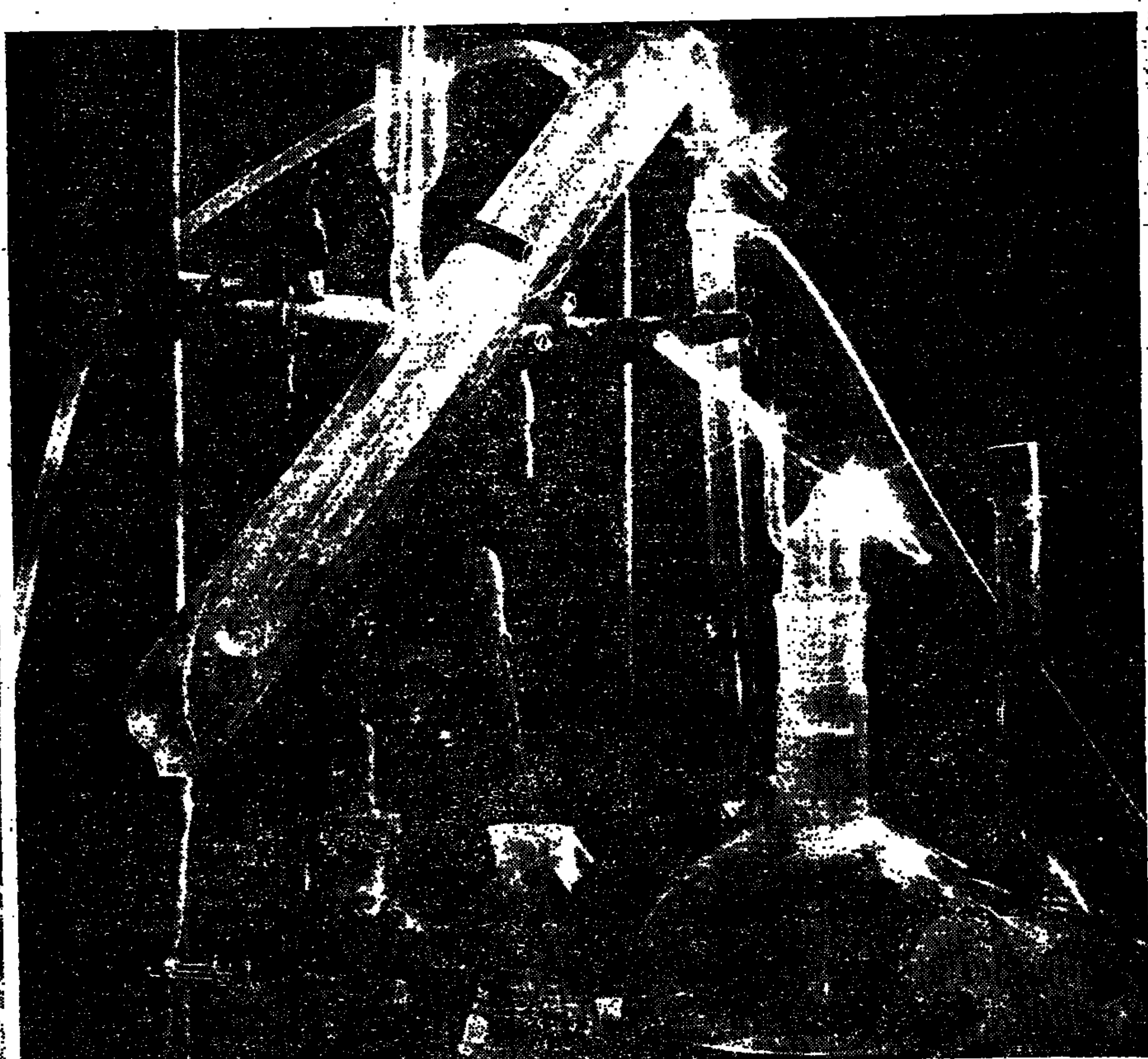
And all this too, from Tate & Lyle.

Food From Waste. Tate & Lyle Research has developed a new method of preparing animal feed from vegetable waste by means of fermentation, which could make a significant contribution to third world food problems.

The Fight for Food. Tate & Lyle is not only in research, but also manufactures specialist irrigation equipment and provides know how for agriculture throughout the world.

New Sources of Sweetness. Although sugar has become the world's main source of sweetness, there are alternatives. In the Middle Ages, Europe used honey. Today, Tate & Lyle Research is exploring new sources of natural sweetness and has uncovered the possibility of natural protein sweeteners derived from certain tropical plants.



Sugar's other Uses. In the long term, broadening the uses for sugar will help to stabilize the sugar market, with obvious benefits both for producers and consumers. A sugar-based detergent requiring no petro-chemicals will be test-marketed shortly. Plastics and fire retarding building materials both using sugar are distinct possibilities for the future.

A close look at these photographs may tell you things about me that you never guessed.

TATE + LYLE

Out of sweetness came forth strength

For further information about Tate & Lyle, contact Tony Kemp, Tate & Lyle Limited, 21 Mincing Lane, London EC3. Tel: 01-626 6525.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Matsushita sees recovery in colour TV sales

OSAKA, June 10.

MR. MASAJI HINO, managing director of Matsushita Electric Industrial Company, believes that 1975 industry-wide sales of colour televisions in Japan may exceed initial expectations by about 8 per cent., and he has indicated that the company's profit decline has bottomed out.

Mr. Hino said that colour television sales in the domestic market may hit 5.5m. receivers this year. That would compare with initial industry estimates of 5.1m. sets for 1975, unchanged from 1974.

However, Mr. Hino said that he does not expect value to increase as much as volume, since popular models are now small or medium sized rather than large console types.

Japan's colour TV inventories, which totalled a record 1.24m. units last June, declined to a normal level of 648,000 units at the end of April. The domestic shipments totalled 552,000 units in April, up 6.9 per cent. from March and up 22 per cent. from a year earlier. April was the second consecutive month in which shipments recorded a gain on a year-to-year comparison basis.

The managing director of Matsushita Electric said that his company's colour TV production has returned to 75-80 per cent. of its rated capacity from 60 per cent. around November last year. Matsushita started reducing its ouput of colour receivers in April last year, the first Japanese television producers to do so.

Mr. Hino said that the company will emphasise the production of economical and practical products, as the current setback was caused largely by reduced spending on consumer durables by lower income groups.

Matsushita, which began selling economy oriented types of colour TV receivers ahead of others, is believed to have increased its colour TV market share during this recession. Matsushita added less expensive 90-degree picture tube models to its line, which had centered on 110-degree tube de luxe models.

Mr. Hino cited a decline in capacity utilisation for Matsushita's recent profit deterioration. The company's pre-tax profit averaged 10 per cent. of sales prior to the oil crisis, but it is currently drifting around 6-7 per cent., he said. Price controls by the Government, despite a sharp increase in raw material prices, also contributed to the decline in its profitability, Mr. Hino added.

The managing director said that most adverse economic effects brought about by the oil crisis have been loaded on to corporations in Japan. Government counter-inflation policies have made it difficult for companies to pass on higher costs.

Matsushita is seeking to reduce costs in order to recover a higher level of profitability, Mr. Hino said. He said that in addition to conventional means, such as boosting productivity and reducing raw material purchasing costs, the company will try to develop products which do not require after-purchase services. The company is now on a campaign aimed at reducing costs by 10 per cent. in every sector, he explained.

Matsushita's capital spending this year is estimated at Y45.8bn. on a consolidated basis. Last year's spending on plant and equipment totalled Y62.9bn.

Mr. Hino declined to specify Matsushita's business results for the six months ended May 20, partly because of a change in its official accounting period to a full year basis for the parent company. But he said that profit is expected to have shown a slight decline, compared with a year earlier. He added however, that the second quarter is expected to have recorded an improvement from the first three months.

The managing director also declined to forecast earnings for the year ending November 20.

Overseas, Matsushita plans to boost the output of colour TV receivers in Brazil to 3,000 units per month toward next year from the present 2,000 units. Matsushita's Brazilian subsidiary, Matsushita Electric Brasileira Industria e Comercio, began colour TV production late last year.

Matsushita is also considering the production of colour TV in Great Britain and already has secured land for that purpose, officials said.

AP-DJ

Juvena will meet payments

By John Wicks

ZURICH, June 10.

THE SWISS cosmetics concern Juvena has stated in a special communique that it will meet all its commitments, including payment of interest on its 1974 convertible loan due at the end of this month. No cut in company capital is planned, according to the comunique.

Issued "due to rumours and various distortions in the Press," the Juvena statement reiterates that comprehensive restructuring measures were decided on at the Board's May 26 meeting which the Board sees as representing a "constructive and promising base" for the profitable future development of the company. All members of the Board, including bank representatives, agreed with these measures, says Juvena.

The company goes on to state that Juvena sales have consolidated this year and repeats its earlier announcement that it "should be possible to attain the more cautious targets set" for the year. There would, however, be a consolidation phase of some two to three years.

Tampella prospects gloomy

By Lance Keyworth

HELSINKI, June 10.

OY TAMPELLA reports a "satisfactory" result for fiscal 1974, but states that "the prospects for 1975 are gloomy owing to the weakened market for the forest industry." The company paid a dividend of seven per cent. on a share capital of F.Mks. 60m. (approx. £7.4m.). The profit for the year after taxes and depreciation was F.Mks. 5m.

Net sales increased from F.Mks. 600m. in 1973 to close on F.Mks. 1bn. in 1974, and well over the billion mark if the F.Mks. 214m. turnover of subsidiaries in which Tampella has a holding of at least 50 per cent. is added to the total. The forest industry division accounted for no less than 55.7 per cent. of total sales, in spite of the stagnation of the sawn goods market in 1974 and the weakening of demand for paper group products towards the end of the year. Sales of the heavy engineering division amounted to 17.9 per cent. of the total, followed by textiles (9.6 per cent.), Tamrock drilling machines (7.8 per cent.), plastics 5 per cent. and power production (4 per cent.).

New Japanese computer subsidy

BY PETER DUMINY

TOKYO, June 10.

THE JAPANESE Government is planning another, the fourth, subsidy programme for the computer industry, in a bid to keep the major domestic manufacturers abreast of the latest advances in technology.

Under the plan, to come fully into operation next April, the five biggest producers will qualify for research and development grants, provided they organise themselves into two groups to develop very large scale integration (VLSI) circuitry. The object is to keep up with, or if possible get ahead of, IBM, which is expected to unveil new technology (its so-called "Future System") soon.

One group would be formed by Fujitsu, Hitachi and Mitsubishi; the other would consist of Nippon Electric (NEC) and Toshiba. According to the financial newspaper, Nihon Keizai Shimbun, there should also be some pooling of effort with Nippon Telegraph and Telephone (NTT). This is a public utility which is reportedly launching a three-year, £30m. VSLI programme of its own this year.

The new programme looks the logical successor to the present Government-backed scheme to develop large Japanese computers to match the IBM 370 range. The first of these will be delivered this year.

Existing subsidy arrangements, to have terminated next year, involved six manufacturers, in groups of two. Now O.K.I. Electric will be dropped and its present partner, Mitsubishi, slipped in with Fujitsu and Hitachi, the largest Japanese manufacturers.

The three groups may be getting about £19.4m. of government money between them this fiscal year. About the same amount may go next year to those selected for the V.L.S.I. project.

Under existing arrangements, Japanese companies retain independent manufacturing and marketing activities. Working together in R and D has led to other co-operation already, which the Ministry of International Trade and Industry clearly encourages. Joint ventures between Fujitsu and Hitachi for example, include Nippon Peripheral, which makes discs, and Facom-Hitac which handles sales to the government sector.

Toshiba plans Arab loan

TOKYO, June 10.

NIKKO SECURITIES said that Tokyo Shibaura Electric Co. plans to float a $30m. 15-year Convertible Debenture, mainly in the Arab market.

Nikko and Arab Finance Corporation will be managers of the syndicate for the debenture, which will probably provide an option of redemption with a certain amount of premium at the end of five years.

About 80 to 90 per cent. of the issue will be sold in Kuwait, Abu Dhabi, Qatar and other Arab oil producing states, but the remainder may be placed in West European markets, Nikko said.

Funds raised by the issue will be converted into Yen for use in Japan.

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PARIS, June 10

South Africa's Iron and Steel Industrial Corporation (ISCOR) has raised $50m. through a private placement of floating rate notes, Credit Commercial de France said as co-manager.

The amount was raised from $40m. originally planned.

London, June 10—Autopista de Encale, a Spanish construction group, is raising a $36m. five-year Eurocurrency loan, banking sources said.

The funds will be used for construction of a link road around Barcelona.

Half of the loan will be guaranteed by the Spanish State, and will carry a spread of 1⅝ points over London Eurodollar interbank offered rates. The remainder, guaranteed by the parent company, will carry a spread of two points.

Chase Manhattan Limited was named as sole manager.

Brussels, June 10—The town of Saint Etienne will shortly float a 6m. unit of account 10-year bond, probably at 9½ per cent. market sources said.

Metallurgique et Miniere de Rodange-Athus's 500m. Luxembourg Franc 10-year issue, to be offered from June 16, will probably carry a 8½ per cent. coupon with par issue price, they added.

Zurich, June 10—The Sw.Frs. 60m., eight per cent., 15-year loan floated by the Austrian Power company Oesterreichische Draukraftwerke on The Swiss capital market was heavily oversubscribed, Schweizerische Kreditanstalt said.

Reuter.

Van Ommeren lays up tankers

By Michael Van Os

AMSTERDAM, June 10.

VAN OMMEREN, the Dutch shipping and storage company, revealed at the general meeting in Rotterdam that it had been forced to lay up five tankers.

Although the supervisory Board chairman would not speculate about this year's results, he said that results in both the ocean-going sector and the inland shipping sector results had been below the previous year. Agencies and tank storage had developed satisfactorily, however.

Van Ommeren, whose 1974 net profits of Fls.57m. remained only slightly below the previous year's record figure, said the depleted stocks of gas, oil and petrol in Western Europe will gradually be replenished; this would affect favourably the storage and inland shipping activities. Favourable effects for Van Ommeren should be more pronounced, if the economy does show revival in the second half.

From Rome, Robert Graham describes how FMI Mecfond is facing up to the dilemma created by its own engineering specialisation

Recession in the South

THERE IS an important exception to the general rule that engineering activity is concentrated in Northern Italy. This is around Naples which has acquired a curious mixture of small and medium sized plants huddled near the port, hidden in ill-defined industrial areas that now merge with urbal sprawl or spread out on modern industrial estates such as at Caserta.

Naples has acquired this activity partly for the historical reason that it was the capital of the Bourbon kingdom and partly as a result of successive post-war government efforts to promote industry in Southern Italy. Such is the case with the biggest venture of all, the Alfasud plant at Pomigliano d'Arco.

Medium-sized

Standing rather on its own is the State-run FMI-Mecfond. This company, which is part of the IRI-Finmeccanica group, is a rare example of a medium sized engineering concern operating in the south. Moreover, it is of particular interest at the present moment because it mirrors the problems faced by the engineering industry (and how the management is meeting the challenge), during the current recession.

FMI-Mecfond is the result of a merger of two Naples-based companies. FMI (Fabbrica) Macchine Industriali) had long been a specialist in the design and manufacture of can-making machines and lines, while Mecfond, the older of the two, had been involved in the more general production of industrial machinery. The two companies' plants existed literally back to back (now separated by a motorway) and the merger was a logical consolidation. The company now employs over 1,400 persons with some 200 graduates—a large payroll by Southern Industrial standards. It is involved in three main product lines: mechanical presses and systems for sheet metal stamping; coil strip processing lines for the steel industry; and machines and systems for the manufacture of metal containers. Production as a whole is orientated towards exports.

Over 40 per cent. of activity and the bulk of factory space in the years since the merger has been geared towards large mechanical presses for motorcar bodies. This is a key item of equipment in the automotive industry. Through a licensing agreement signed with Danly Machine of Chicago in 1967 it very quickly built up a position as a market leader in Europe. Among other things the Danly agreement gave FMI Mecfond exclusive rights to the American company's technology in Europe. Orders were won from Citroen, Opel, Renault, SEAT and Volvo. In addition the company supplied the entire press requirements for the Alfasud plant, plus Fiat's new stamping line at Rivalta.

In all, some 300 orders were won for large presses within a space of four years. However, it hardly needs to be emphasised that the days of major expansion in the automobile industry began to tail off in 1973 and vanished during the past 12 months. This year the company envisages that this sector will continue completely slack with, perhaps, a very modest pickup in 1976. The massive drop in FMI Mecfond's turnover is eloquent testimony of the crisis in this sector. With a high point of $46m. in 1972, turnover dropped back to $16m. in 1973 with an accompanying loss of $7m., picking up again slightly last year to an estimated $24m. There were, of course, other factors at play, but the fallback in the demand for presses was the major element.

This, then, presents the company with a major problem. So long as it continues to depend upon presses as the major component in its activity, capacity is likely to be heavily underutilised and profitability undermined. The dilemma is a hard one because the facilities installed are among the most advanced in Europe. For instance, it has an extensive press try-out area where a complete automatic stamping line can be tested under production conditions.

To a lesser extent market conditions are affecting the second most important lines of activity—the design and manufacture of cold and hot rolled strip processing and finishing lines for the steel industry. Traditionally this has taken up some 30 per cent. of turnover. The company has been operating in this sector for nearly 20 years. Its present technology is based mainly on a collaboration agreement with Aetna Standard Engineering of Pittsburgh. FMI Mecfond has been a major supplier to Italsider, the state steel company, as well as gaining overseas contracts in Algeria, Peru and the Congo. It is likely that it will supply equipment to the proposed Italian built steelworks at Bandar Abbas in Iran.

Diversification

In order to lessen dependence upon these two activities, a study is now being prepared on potential areas for diversification. Yet if this heavy engineering side of FMI Mecfond is going through a difficult period the light engineering side is expanding: and it is here that the company is devoting much of its research, because the company's specialisation in machines and systems for the production of metal containers is now coming into its own.

In 1969 the company sales accounted for 5.7 per cent. of the world market. This has been now pushed up to 8 per cent. In effect, FMI Mecfond has managed to gain a greater foothold in the European market, which absorbs over 85 per cent. of its foreign sales, and now ranks alongside Krupp, leaving its only Italian competitor, Cevolani, behind. This can be seen more clearly in orders received. In 1969 orders were worth $2.9m.; in 1973 $5.2m. and last year $8.5m. It is reckoned that as much as two-thirds of the latter increase was in real terms.

As a further sign of the growing importance attached to this sector the company has just signed a cross-licence agreement with the West German concern, Schuler of Goeppingen. This is based upon the exclusive manufacture and sale of Drawn and Ironed and Drawn and Redrawn can manufacturing lines. Until now this has been a technology dominated by the Americans. The technology revolves round the discarding of the conventional can made in three pieces and instead the adoption of a two-piece can. This has the advantage of being potentially cheaper. It also reduces sharply the risk of contamination created by the lead salts freed by the soldering of the conventional three-piece can.

The principal market for this machine is the canned beverage industry. Currently some 25 per cent. of beverages in the U.S. are in two-piece cans. In five years this percentage is likely to be over 50 per cent. In Europe the existing use is minimal but by 1982 could be 35 per cent. of all canned beverages. The agreement envisages that cuppers, drawing presses, ironers and trimmers used will be those of the Schuler design while beaders, testers and necking machines will be those designed by FMI Mecfond.

Company Results

Rhone Poulenc sees downturn

Rhone Poulenc reports an estimated 1974 consolidated net profit of Frs.1.04bn. (Frs.593m.). Estimated cash flow was Frs.2.75bn. (Frs.1.8bn.)

Profits for 1975 can be expected to be sharply lower because of the drop in business activity affecting most of the group's products.

● LTV Corp. expects "substantially" lower second quarter earnings compared with last year's $22.2m., or $2.06 per operating share.

Its Wilson and Co. and Aerospace subsidiaries should show improved operating results but a decline in steel orders at its Jones and Laughlin unit will result in the decline in overall consolidated profits.

No improvement in steel orders is anticipated before the fourth 1975 quarter of 1975.

● Manufacturers Hanover Corp. will find it increasingly difficult from now on to maintain its earnings at the strong first quarter 1975 level.

The bank's net interest factor will be less favourable than in the first quarter. Rates then on funds obtained declined more rapidly than the rate earned on assets. But second quarter and full year earnings will still be quite satisfactory.

The bank reported first-quarter consolidated net earnings of $33m. or $1.31 per common share—25.2 per cent. above first quarter 1974 levels.

● J. C. Penney announced to-day a 7.0 per cent. gain in May sales over the 1974 month. Volume for the five weeks ended May 31 reached a record $642.7m. compared with $600.6m. for the same period last year.

But it would be premature to interpret these gains as the beginning of an upturn, with a high rate of unemployment and caution in overall consumer spending.

Sales were paced by broad seasonal lines. The J. C. Penney Battery and citizen's band radios lead a good automotive sales pattern.

Volume for the first four months of the 1975 fiscal year, January 26 through May 31, was up 4 per cent. to a record $2.1bn.

● Sears, Roebuck reported record sales for the five weeks ended May 31. Gross sales for the period were $1.38bn.—an increase of $29m., or 2.2 per cent. over sales of $1.35bn. in the corresponding period of 1974. For 18 weeks ended May 31, sales were $4.5bn., a decrease of $32m. or 0.7 per cent. from $4.5bn. last year.

● Certain-teed Products has declared a quarterly dividend of 15 cents per share.

Citroen willing to reprieve Maserati

BY RUPERT CORNWELL

PARIS, June 10.

CITROEN has agreed to a request from the Italian Government to a stay of execution for the liquidation of its bankrupt subsidiary, the world famous specialist sports car manufacturer, Maserati.

Maserati, bought by the French company for a reported L1bn. in 1969, has like other high performance luxury car makers, been sorely hit by the higher cost of oil and petrol. Last year its losses exceeded its entire share capital, obliging it under Italian law to close down.

Now, however, negotiations are under way for either a private buyer or the Italian State to take control. The Labour Minister Sig. Carlo Donat Cattin has announced that the wages of Maserati's 900 workers will be paid by the Government until the outcome of the discussions over its future.

Citroen, itself in a scarcely flourishing condition after a Frs.1bn. (£105m.) loss last year, has made clear, however, that its decision to cease Maserati production has not been affected. Work will only be completed on models already ordered, to leave just an aftersales and spare parts service in operation.

Estel Trinidad project

BY DAVID RENWICK

PORT OF SPAIN, June 10.

ESTEL, one of the largest steel companies in Europe, with plants in Holland and Germany, has signed an agreement with the Trinidad and Tobago Government to establish an iron and steel project in Trinidad.

The final investment decision will be taken within six months and it is expected that the government will be a major partner with finance also coming from Japan.

About 2,500 workers are likely to be employed in the construction phase and 500 on a permanent basis once the complex, which will be powered by relatively cheap Trinidad natural gas, gets going.

The estimated capital cost is $250m. Iron ore will be imported from Brazil for reduction into sponge iron part of which will be converted into steel billets and rolled products.

The complex will need a total of 92m. cubic feet of natural gas a day for electricity generation and processing.

Telesat $C3.8m. profit

By James Scott

TORONTO, June 10.

TELESAT CANADA, owner and operator of Canada's satellite communications system registered a profit of $C3.8m. in 1974, its second year of operation, compared with a profit of $C1.7m. in 1973. Operating revenue for the year was $C28m. compared with $C19m.

The Federal Government owns half the issued capital and participating Canadian telecommunications common carriers hold the other half. Telesat Canada says $C4.3m. of its revenue resulted from the use of its service by two American companies on an interim basis. The American companies are RCA Global Communications and RCA Alaska Communications. RCA Global has since been ordered by the U.S. Government to stop using the service. Ultimately RCA Alaska will also withdraw and use a recently launched U.S. satellite.

Buyer sought for Zeller's

By Robert Gibbens

MONTREAL, June 10.

WHILE A TOTAL ownership limit of 55 per cent. has been placed by the Federal Foreign Investment Review Agency on Marks and Spencer ownership of People's Department Stores, the Canadian retail store chain, the search goes on for a potential buyer of Zeller's, another mass-market chain owned by the troubled W. T. Grant retailing giant of the U.S.

No Canadian buyer has been found for Zeller's, either another company or a syndicate of investors, and asking price is understood to have been reduced significantly from the previous $C80m. It is understood that talks have been held with foreign companies, including one from West Germany.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

	Bid	Offer
STRAIGHTS		
Amax 8½pc 1986	99	100
Ashland 8pc 1987	92½	93½
Austraswiss 8pc 1987	90½	91½
BFCE 9pc 1989	98	99
Borregaard 8½pc 1989	96½	97½
Carrier 8pc 1987	90	91
Conoco 8pc 1986	94½	97½
Consol Foods 7½pc 1991	86½	87½
Cutler Hammer 8pc 1987	91½	92½
EIB 9½pc 1995	101½	102½
Esso 8pc 1986 Nov.	97½	98½
General Cable 8½pc 1987	89	90
General Motors 8½pc 1986	101½	102½
GTE 8½pc 1986	97½	98½
ICI 7½pc 1992	77	79
Nat. Grandlays 7½pc 1987	75	77
Pacific Light 8pc 1988	91½	92½
Prov. of Quebec 7½pc 1988	89	90
Quebec Hydro 8½pc 1989	98	99
Queensland 8½pc 1987	88½	89½
Scanraff 9½pc 1988	94½	95½
Shell 8pc 1986	96½	97½
Stand. Oil (Inc.) 8½pc 1988	99½	100½
Tenneco 7½pc 1987	86½	87½
Transocean 8pc 1984	98	99
TRW 8½pc 1986	95½	96½
Utah 8pc 1987	93½	94½
Volvo 9½pc 1985	99½	100½
NOTES		
Air France 9½pc 1982	102½	103½
Austria Ind. Dv. 10½pc '81	103½	104½
Barclays 7½pc 1979	97	98
CIE Natl. Rhone 10pc '82	104½	105½
Du Pont 7½pc 1978	101½	102½
Esso 7½pc 1978	101	102
General Motors 8½pc 1978	101	102
Marubeni 9½pc 1982	102½	103½
Nippon Fudosan 10½pc 1981	104	105
Skandinaviska 10½pc 1981	104	105
Tenneco 7½pc 1979	98	99
Tokyo Curacao 10½pc 1981	104	105
Source: White Weld Securities London		
CONVERTIBLE		
American Express 4½pc '87	83	85
Ashland 5pc 1988	80	82
Beatrice Foods 4½pc 1992	93	95
Beatrice Foods 4½pc 1992	103½	105½
Borden 5pc 1992	89	91
Broadway Hale 4½pc 1987	74	76
Canon Camera 7½pc 1989	93	95
Carnation 4pc 1987	89	91
Chevron 5pc 1988	103½	105½
Dart 4½pc 1987	89	91
Eastman Kodak 4½pc 1988	116	118
Economic Labs. 4½pc 1987	80	82
Eidai 7½pc 1989	99	101
Ford 6pc 1986	81	83
Ford 5pc 1988	74	76
Fuji 6½pc 1985	106	
General Electric 4½pc 1987	85	87
Gillette 4½pc 1987	81	83
Gould 5pc 1987	78	81
Halliburton 4½pc 1987	128	129
Harris 5pc 1992	66	68
Hitachi 6½pc 1984	106	
Honeywell 6pc 1986	77	79
ITT 4½pc 1987	67	69
Komatsu 6½pc 1984	173	
J. Ray McDermott 4½pc '87	134	136
Mitsui 8½pc 1989	147	
J. P. Morgan 4½pc 1987	123	125
Motorola 4½pc 1983	122	
Owens Illinois 4½pc 1987	85	87
J. C. Penny 4½pc 1987	82	84
Pioneer 6½pc 1989	116	119
Rand Selection 6½pc 1986	102	103
Rank 4½pc 1993	43	45
Revlon 4½pc 1987	101	103
Sperry Rand 4½pc 1987	99	101
Squibb 4½pc 1987	88	90
Toshiba 6½pc 1985	122	
Union Carbide 4½pc 1982	102	104
Warner Lambert 4½pc 1987	95	97
Warner Lambert 4½pc 1988	85	87
Xerox 5pc 1988	77	79
Source: Kidder, Peabody Securities		

ملحق من الاصل

This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to Akroyd & Smithers Limited ("the Company"). It is not an invitation to any person to subscribe for or purchase any securities of the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

There are in issue at the date hereof 500,000 shares of £1 each, fully paid, designated as Preferred Ordinary Shares which fall to be converted into Ordinary Shares in the event of the ordinary share capital of the Company being admitted to the Official List of The Stock Exchange.

A Special Resolution was passed on 9th June, 1975 adopting new Articles of Association reflecting, inter alia, this conversion of the Preferred Ordinary Shares and a sub-division of each £1 share in the issued share capital of the Company into four shares of 25p each. The Resolution was expressed to take effect conditionally upon such admission to the Official List being granted on or before 27th June, 1975 and this document has been prepared on the basis that such admission has been granted.

Application has been made to the Council of The Stock Exchange for the Ordinary Shares of the Company to be admitted to the Official List.

AKROYD & SMITHERS LIMITED

(Incorporated in England under the Companies Acts 1948 to 1967)

BROKERS TO THE INTRODUCTION

Hoare & Co. Govett Limited

SHARE CAPITAL

Authorised		*Issued and fully paid*
£2,000,000	in Ordinary Shares of 25p each	£2,000,000

INDEBTEDNESS

The Company has secured overnight loans from money brokers which at 30th May, 1975 amounted to £53,290,000 in aggregate. There are also unsecured loans from members of the Company and others having no fixed terms of repayment which at 30th May, 1975 amounted to £2,088,000 in aggregate. Save as aforesaid and apart from inter-company indebtedness neither the Company nor any of its subsidiaries has outstanding any other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, mortgages, charges, hire purchase commitments or (except in the ordinary course of business) guarantees or other material contingent liabilities.

DIRECTORS

Hugh Humphry Merriman, D.S.O., M.C., T.D., *Chairman*
Hazel Hall, Peaslake, Shere, Surrey.
David Henry LeRoy-Lewis, F.C.A., *Deputy Chairman*
Bramlands, Woodmancote, Henfield, Sussex.
Brian Kenneth Peppiatt
Aston Mullins Farm, Ford, Aylesbury, Buckinghamshire.
Timothy Fraser Jones
The Old Rectory, Berwick, Sussex.
Timothy Francis Featherstonhaugh Nixon
The Old Vicarage, Pampisford, Cambridgeshire.
Michael Carlisle Sargent
14 Hillgate Place, London, W.8.

BROKERS

Hoare & Co. Govett Limited
Atlas House, 1 King Street, London, EC2V 8DU and The Stock Exchange.

BANKERS

Bank of England
Midland Bank Limited
National Westminster Bank Limited
Barclays Bank Limited
Coutts & Co.
Williams & Glyn's Bank Limited

SOLICITORS TO THE COMPANY AND TO THE INTRODUCTION

Linklaters & Paines
Barrington House, 59/67 Gresham Street, London, EC2V 7JA.

AUDITORS AND JOINT REPORTING ACCOUNTANTS

Thomson McLintock & Co., Chartered Accountants
70 Finsbury Pavement, London, EC2A 1SX.

JOINT REPORTING ACCOUNTANTS

Spicer and Pegler, Chartered Accountants
St. Mary Axe House, London, EC3A 8BJ.

SECRETARY AND REGISTERED OFFICE

Peter James Wastall, F.C.I.S., A.I.B.
55/61 Moorgate, London, EC2R 6EJ.

REGISTRARS AND TRANSFER OFFICE

National Westminster Bank Limited,
Registrar's Department,
326 High Holborn, London, WC1V 7QA.

HISTORY AND BUSINESS

In 1875 Bayley Nash Akroyd and Alfred Waldron Smithers, both Members of The Stock Exchange, London, entered into partnership under the style of B. N. Akroyd & Smithers ("the Firm") with a capital of £10,000 as jobbers to deal in Canadian Stocks and Shares. In 1910 the Firm extended its business by dealing in American Stocks and Shares and in 1919 further expanded into the gilt edged market.

After World War II, the market in American and Canadian Stocks failed to reach its pre-war volume due to foreign currency restrictions imposed by the U.K. Government. In addition, the considerable improvement in communications between the U.K. and the North American Continent enabled large U.K. investors to contact their advisers in Canada and the U.S. as easily as their brokers in London. Consequently a decision was taken in the early 1960s gradually to close down the Firm's business in North American Markets (dealing finally ceased in American Stocks in 1964 and in Canadian Stocks in 1966) and instead of them to concentrate on expanding in U.K. Stocks, both equities and prior charges.

In 1962, in furtherance of this policy, the Firm extended its interests in U.K. Stocks by entering into a market partnership with James Case & Son, jobbers in the industrial market. A market partnership within The Stock Exchange is an arrangement authorised under its Rules whereby both firms retain their separate identities but enter into a profit and loss sharing agreement between themselves as regards transactions covered by the market partnership.

During the next few years a number of firms were amalgamated with James Case & Son, namely J. T. Lee and Oxley Knox in 1966, Anketell Fletcher & Lemon in 1967 and R. M. Long & Co. in 1969. The market partnership then covered a wide variety of equities and prior charges. In 1969 the market partnership was brought to an end by the amalgamation of the two firms under the style of Akroyd & Smithers.

In July 1970 the Firm was acquired by Akroyd & Smithers ("the Company"), incorporated as a company with unlimited liability, which at the same time absorbed the business of Geo. D. Atkin & Co., a firm of jobbers in breweries *and other miscellaneous stocks. In March 1972 the Company was re-registered with limited liability and in July of* that year certain institutional investors became shareholders following a placing of shares.

In December 1974 Berger & Gosschalk Limited ceased to trade and the Company then started to deal in approxi- *mately 300 of the equity stocks which had up to that time been dealt in by that company. The Company thus com-* menced dealing in oil and paper stocks and resumed dealing in property stocks, in which it had ceased to deal in July 1971.

As a result of the policy of diversification that has been followed over the last 14 years, the Company now deals in gilt edged securities, including all British Government, Commonwealth and Corporation stocks, approximately 3,250 commercial and industrial prior charges and a large cross section of equity stocks, numbering approximately 2,100 *covering the brewery, building, food, hotel, oil, paper, property, shipping and tobacco sectors, together with invest-* ment trust shares.

The Stock Exchange publishes monthly turnover figures under various categories of business. Turnover for this *purpose is defined as the aggregate of bought and sold bargains and not as the value of sold bargains alone, which is* the definition adopted in the Company's own accounts. On the basis of these Stock Exchange statistics the fluctuations of total activity on the Exchange are broadly demonstrated below, analysed over the Company's accounting *periods since its incorporation.*

Period ended on or about 30th September.	Total Stock Exchange turnover £m	Gilt Edged £m	%	Prior Charges £m	%	Equities £m	%
1971 (15 months)	*65,772*	*50,541*	*(76.8)*	*1,743*	*(2.7)*	*13,488*	*(20.5)*
1972	63,053	41,467	(65.8)	2,019	(3.2)	19,567	(31.0)
1973	52,392	33,469	(63.9)	1,758	(3.4)	17,165	(32.7)
1974	*58,422*	*42,873*	*(73.4)*	*1,427*	*(2.4)*	*14,122*	*(24.2)*
Period to 20th March, 1975	39,168	31,142	(79.5)	629	(1.6)	7,397	(18.9)

The above figures show clearly the fluctuations that occur in total turnover from year to year. They also demonstrate the large variation in the percentages as between fixed interest and equities in making up each period's total.

The volume of a jobber's turnover is one of the most important factors contributing towards profits. The Company, however, has shown its ability to earn satisfactory profits in varying circumstances covering high and low turnover and rapidly changing conditions of rising and falling markets.

THE JOBBER'S ROLE IN THE STOCK EXCHANGE

Members of The Stock Exchange can trade either as brokers or as jobbers. Brokers, acting as agents, transact on a commission basis their clients' business with the jobbers. Jobbers, who can under the Rules of The Stock Exchange only deal with other members of The Stock Exchange, make a market in stocks and shares as principals thus enabling brokers to deal.

Jobbers rely mainly on their dealing profits for their income. Dealing profits depend upon turnover combined with the jobber's ability both to anticipate market movements and to achieve the appropriate dealing position whether *bull or bear. A bull position arises when a jobber has purchased more stock than he has sold, whereas a bear position* denotes that he has sold more than he has purchased.

Under the Rules of The Stock Exchange dealings in the gilt edged market are normally for cash settlement on the *following business day. Jobbers in this market have for many years been able to borrow stock in order to assist* settlement of sales, which might otherwise be delayed due to bear positions or late deliveries. Against the borrowed stock other similar securities can be lodged as collateral security and then the money received on borrowed stock *deliveries can be used towards financing the jobbers' bull positions. Jobbers are only permitted to borrow stock* from those stockbrokers (at present six in number) who are also money brokers recognised by the Bank of England and in the case of securities having seven years or less to final redemption from the Discount Market. More recently a *similar facility has been employed to the equity and prior charge market.*

The money brokers act as principals and borrow the stock required by jobbers from institutional investors. They also deal in the money market with banks and discount houses to enable them to balance the jobbers' money *requirements. These arrangements play an important part in financing a jobbers' business and account to some* extent for the wide swings in the figures shown in the Accountants' Report under "Net interest (costs)/income".

The jobbing system is unique to the British Isles. It acts as a buffer between buyer and seller, thus tending to reduce *the wide fluctuations that would otherwise occur, were it necessary to match precisely quantities of stocks as* between buyers and sellers.

MANAGEMENT

Directors

All members of the Board are full time executives and have spent substantially the whole of their working lives in The Stock Exchange.

The Chairman, Mr. Merriman, is 65 years old and is a Director of The English Association of American Bond and Share Holders Limited and Crossfriars Trust Limited. Mr. Merriman will be retiring immediately after the Company's Annual General Meeting in January 1976 and will be succeeded as Chairman by Mr. LeRoy-Lewis.

The Deputy Chairman, Mr. LeRoy-Lewis, is 56 years old and has overall responsibility for administration in the Company. He is a Deputy Chairman of The Stock Exchange and is also a Director of several investment trust companies.

Mr. Peppiatt, who is 41 years old, has overall responsibility for the gilt edged and prior charge markets. Mr. Jones, who is 43 years old, is principally concerned in the short dated section of the gilt edged market. Mr. Nixon, who is 39 years old, is principally concerned with the long dated section of the gilt edged market and is responsible for Finance. Mr. Sargent, who is 32 years old, is primarily responsible for the equity market.

Staff

The Company has approximately 330 employees, including Directors. Of these 120 are engaged on dealing duties *in The Stock Exchange and 100 at the office on settlement. The remaining 110 are engaged in data processing,* research and administration.

Ability as a dealer is largely a matter of natural flair combined with experience on the floor of The Stock Exchange. *The Company has a regular intake of trainees both graduate and non-graduate, to ensure that it will have sufficient* dealing personnel of the right calibre in the future.

As is usual with Stock Exchange firms, the Company has a Bonus Scheme linked to profits. However, this is to be discontinued at the end of the current financial year when it will be replaced by a more formalised Profit Sharing Scheme.

The Company has two contributory Pension Schemes. As a result of a decision taken earlier this year, both schemes will now provide for the retirement age of all employees to be reduced by stages to 60 years. The anticipated cost of implementing this decision in respect of past service liability has been provided for in arriving at the profit for the half year to 20th March 1975.

PREMISES

Since 1973 the Company has occupied offices (approximately 20,500 sq. ft.) at 55/61 Moorgate, London, E.C.2, which are held under a lease expiring in December 1986. As a result of an agreement concluded with the lessor of the Company's former premises at Austin Friars, the effective net exclusive rental payable under the lease on the Moorgate offices is £42,500 p.a. until June 1977 when it will be increased to £192,500 p.a. with a review in December 1977 and thereafter at 5 year intervals.

WORKING CAPITAL

The Directors are of the opinion that the Company has adequate working capital for its present requirements, taking into account bank facilities and other sources of finance available to it.

PROFITS AND DIVIDENDS

As shown in the Accountants' Report, profits have fluctuated during the last five years. In the two periods ended on or about 30th September, 1971 (64 weeks) and 1972 (52 weeks) The Stock Exchange experienced a bull market for a large part of that time. During the year to September 1973 Stock Exchange turnover fell sharply and prices moved violently, creating difficult market conditions which resulted in a decrease in the Company's profits from £3,578,000 to £1,992,000 before tax. In the following year prices moved less violently in a falling market, but the turnover increased during that period and profits rose to £3,547,000.

In the first three months of the current financial year, the downward trend became more accentuated and this quarter saw one of the lowest turnover figures for equities in the last four years. A dramatic turn-around in most markets occurred in the quarter immediately after the New Year when the Financial Times All Share Index rose from 62.16 on 6th January, 1975 to a peak of 134.99 on 7th March, 1975 while the Financial Times Government Securities Index rose from 49.18 on 3rd January, 1975 to 62.34 on 20th March, 1975. Total Stock Exchange turnover for that period was the highest of any quarter since records were first published. The Company's profits for the half year which encompassed that period amounted to £5,660,000 before tax. Since the end of the half year trading has continued at a *high level, and the Company has continued to trade profitably during this period.* However, in view of the nature of the business, it is not possible to make a forecast for the whole year nor to give any indication as to the likely outcome for the last six months of trading.

The Company paid a dividend for the year ended 27th September, 1974, of 46.225p per £1 share on both classes of capital then in issue, which was the maximum amount permitted under the counter-inflation regulations and reflected the higher level of profits achieved. For the current year the Directors have declared an interim dividend of *3p per 25p share (conditional upon a listing being granted by The Stock Exchange by 27th June, 1975),* this being the first interim dividend to be paid by the Company. This dividend is payable on 18th June, 1975 (or when listing is granted, if later) to members on the register at the close of business on 21st May, 1975. It is the Directors' policy, if *they consider the level of profits is sufficient, to declare an interim and to recommend a final dividend in respect of* each ensuing financial year.

The amount of the final dividend for the current year will depend on the outcome for the whole year. However, it is *the intention of the Directors, subject to unforeseen circumstances, to recommend a final dividend of 9.5p per share,* making a total of 12.5p per share for the year. While the Company is not currently restricted in the amount payable as dividends for the current year or for that ending September 1976, the Directors are mindful that, although it is their *intention that shareholders should benefit by receiving high dividends when profits warrant, the levels of profitability* can fluctuate and the nature of the business necessitates a reasonable retention of profits for the future.

JOINT ACCOUNTANTS' REPORT

The following is a copy of a joint report which has been received from Thomson McLintock & Co., Auditors and Joint Reporting Accountants, and Spicer and Pegler, Joint Reporting Accountants.

The Directors,
Akroyd & Smithers Limited
Hoare & Co. Govett Limited

9th June, 1975

Dear Sirs,

1. We have examined the audited accounts of Akroyd & Smithers Limited ("the Company") for the periods from 2nd July, 1970 (date of incorporation) to 20th March, 1975. The Company was incorporated with unlimited liability and was re-registered as a limited company on 2nd March, 1972; trading commenced on 11th July, 1970 at which date the businesses and net assets of the partnerships then trading under the names of Akroyd & Smithers and Geo. D. Atkin & Co. were acquired.

The Company has three wholly owned subsidiaries. Akroyd & Smithers Service Company, an unlimited company, was acquired on 11th July, 1970 and Akroyd & Smithers Pension Trustee Limited and Akroyd & Smithers Nominees Limited were both acquired on 3rd May, 1972; none of these companies has traded since acquisition. Their accounts are not consolidated with those of the Company and we do not report further on them.

2. **Accounting Policies**

The following accounting policies have been employed by the Company throughout the period relevant to this report:

(i) *Financial year end*
The accounts for each complete financial period reflect all dealing, settlement and cash transactions up to the close of business on the last day of The Stock Exchange Account ending nearest to 30th September. A comparable procedure was adopted in the accounts for the half year to 20th March, 1975.

(ii) *Bull and bear positions*
The terms bull and bear represent the aggregate book position of individual stocks arising from respectively a net bought or net sold position. The bull positions and liability on bear positions have been valued by the directors at market value, *i.e.* at the relevant bid and offer prices applicable at the close of business on the accounting date, except for a small number of stocks where quotations have been withdrawn or suspended or where the positions are larger than can be dealt in at normal quotes. These are included at directors' valuation.

3. **Profits**

At 11th July, 1970, the bull and bear positions acquired by the Company were valued on the basis of a fixed fraction above and below the lower and upper limits of the spread shown by The Stock Exchange Daily Official List in respect of government stocks, while other fixed interest stocks were valued at middle market prices and equity stocks were valued at closing dealing prices. At 1st October, 1971 this basis was changed to that shown at paragraph 2 (ii) above, although the detailed guidelines to be adopted in implementing that basis and in arriving at a directors' valuation in respect of positions which were not to be valued at normal bid and offer prices were not finally agreed with the Inland Revenue until 1973. The bull and bear positions at the accounting dates in 1971 and 1972 have been restated, for the purposes of this report, in accordance with those agreed guidelines and the results for the financial periods concerned adjusted accordingly. It has not, however, been practicable to restate the bull and bear positions taken over from the predecessor partnerships in accordance with the accounting policy referred to above. We are therefore unable to quantify the amount by which the profit of the Company's first accounting period was either increased or decreased due to the fact that the method of valuing the bull and bear positions acquired was not comparable to that applied to those positions at the close of this period. Subject to this reservation, the turnover and results of the Company for the period 2nd July, 1970 to 20th March, 1975, arrived at on the bases stated in paragraph 2 above and in the notes below, were as follows:

Period ended	Note	1971	1972	1973	1974	20th March 1975
		on or about 30th September				
Turnover	(ii)	64 weeks £13,743m.	52 weeks £8,837m.	52 weeks £7,554m.	52 weeks £8,723m.	25 weeks £6,644m.
		£000's				
Jobbing profit	(iii)	7,373	6,745	4,094	5,731	7,828
Net interest (costs)/income	(iv)	(931)	(1,108)	17	402	90
Jobbing revenue		6,442	5,637	4,111	6,133	7,916
Directors and staff						
Salaries		1,142	1,019	1,144	1,182	675
Bonus payments	(v)	326	325	219	341	317
Pension contributions—normal		160	129	158	210	136
—exceptional	(vi)	—	—	—	123	752
Administration costs	(vii)	583	586	598	730	353
Total operating costs		2,211	2,058	2,119	2,586	2,256
Profit before taxation		4,231	3,578	1,992	3,547	5,660
Taxation	(viii)	1,733	1,380	838	1,860	3,348
Profit after taxation but before extraordinary items		2,498	2,198	1,154	1,687	2,312
Extraordinary items	(ix)	32	26	—	—	40
Profit available to shareholders		2,466	2,172	1,154	1,687	2,272
Dividends	(x)	—	525	651	773	240
Retained profits		2,466	1,647	513	914	2,032

NOTES:

(i) *The figures shown above are arrived at by reference to the audited accounts but after making such adjustments as we consider appropriate.*

(ii) Turnover is expressed as the aggregate value of sold bargains.

(iii) Jobbing profit represents the difference between sales and purchases, in each case at bargain price, adjusted for the valuation in the bull and liability on bear positions at the beginning and end of each accounting period, and includes franked and unfranked income arising from the Company's dealing positions.

(iv) *Net interest represents the interest payable less receivable which results from the financing requirements of the Company's* dealing positions. In general terms, in an extended bull market, the Company may be expected over the period to be financing through short term borrowing a net bought position resulting in a net interest cost. The converse is likely to arise during an extended bear market and the money market operations associated with such a net sold position may result in a net interest income. These factors are reflected in the movements in the net interest element of jobbing revenue shown above.

(v) Bonus payments relate to amounts paid under a profit-related bonus scheme together with such merit and other discretionary bonuses as were declared by the Directors. The provision for bonus in the half year to 20th March, 1975 was made on an interim basis by reference to the profits of that period. However, the amount eventually payable cannot yet be determined since it will depend upon the results for the complete financial year.

(vi) Exceptional pension contributions relate to lump sum payments for improved pension scheme benefits. In the half year ended 20th March, 1975 the amount includes additionally an aggregate of £160,000 provided for fund deficiencies and to adjust the basis period for cost-of-living increments.

(vii) *Administration costs include depreciation of equipment and amortisation of leasehold expenditure for each period under* review, as follows:

	Depreciation	Amortisation
	£000's	
1971	10	9
1972	9	7
1973	30	6
1974	49	6
1975 (25 weeks to March)	26	4

Depreciation is calculated so as to write off the assets concerned over their estimated useful lives. The expenditure on the short leasehold property is being written off over ten years by equal annual instalments.

(viii) Charges for taxation in each period are based on the provisions contained in the audited accounts but have been amended to take account of adjustments made in arriving, for the purposes of this report, at the profit before taxation. The charge for taxation for the financial period ended 20th March, 1975 is increased by £391,000 due to the possible postponement of relief for corporation tax on certain of the pension contributions referred to in note (vi) above. These contributions may not be eligible for immediate relief but in that event, under current legislation, allowance would be available against future taxable profits over a number of years.

(ix) Extraordinary items comprise:

	1971	1972	1975
	£000's		
Pension contributions in respect of employees of Geo. D. Atkin & Co. relating to past service prior to the merger with the Company, less attributable taxation	32		
Expenses in connection with the placing and introduction of the Company's share capital		26	40

(x) The dividends declared were as follows:

	Preferred Ordinary £000's		Ordinary £000's		Amount of ordinary dividend waived	TOTAL
1971	—		—		—	—
1972	75	15% (gross)	450	30% (gross)	—	525
1973	210	42%	630	42%	189	651
1974	226	45.225%	678	45.225%	131	773
1975 (interim)	—		240	12%	—	240

The gross equivalents of the dividends paid in 1973 and 1974 and payable as an interim in 1975 were 60%, 67.5% and 18.5% respectively. The interim dividend proposed for 1975 is based on the assumption that, at the date of payment, the preferred ordinary share capital will have been converted into ordinary shares.

4. **Balance Sheets**

The net tangible assets of the Company at the end of each financial period, as shown by the relevant audited accounts, but after making such adjustments as we consider appropriate were:

Balance Sheet Date	Note	1971	1972	1973	1974	20th March 1975
		on or about 30th September				
		£000's				
CURRENT ASSETS						
Bull positions		64,622	64,512	79,479	64,388	109,273
Amount advanced against borrowed stocks		47,700	70,989	94,035	75,764	80,418
Market debtors for transactions		66,758	57,739	41,691	55,852	162,159
Income tax recoverable		—	52	344	17	—
Other debtors		83	75	182	119	78
Cash		154	213	270	470	634
		179,317	193,640	216,004	196,190	352,562
CURRENT LIABILITIES						
Bear positions		54,265	74,244	103,615	66,875	89,774
Market and bank loans (secured)		61,962	68,128	74,047	71,310	83,707
Unsecured loans	(i)	1,302	1,966	1,439	2,010	1,795
Market creditors for transactions		57,724	52,260	30,517	48,598	164,929
Other creditors		413	478	388	536	1,381
Amounts due to subsidiary companies		3	13	13	13	13
Taxation		1,035	751	629	468	3,081
Dividends		—	525	651	773	240
		176,704	189,363	211,299	190,583	344,920
NET CURRENT ASSETS		2,613	4,277	4,705	5,607	7,642
FIXED ASSETS	(ii)	103	86	254	202	180
		2,716	4,363	4,959	5,809	7,822
TAX EQUALISATION ACCOUNT		—	—	83	19	—
NET TANGIBLE ASSETS		2,716	4,363	4,876	5,790	7,822
Representing						
SHARE CAPITAL	(iii)	250	2,000	2,000	2,000	2,000
PROFIT AND LOSS ACCOUNT		2,466	2,363	2,876	3,790	5,822
		2,716	4,363	4,876	5,790	7,822

NOTES:

(i) The unsecured loans are principally from directors and shareholders and their associates. Interest is payable on these loans, which have no fixed terms of repayment, at 1% over the Midland Bank base rate.

(ii) The fixed assets of the Company at 20th March, 1975 were as follows:

	Cost	Depreciation	Net
		£000's	
Short leasehold expenditure	64	16	48
Computer equipment	106	20	86
Office furniture and equipment	[illegible]	[illegible]	36
	322	152	170
Investment in subsidiary companies			10
			180

The investment in subsidiary companies is stated at the underlying net asset value of those companies.

(iii) The authorised and issued share capital of the Company at 20th March, 1975 was as follows:

	£000's
500,000 preferred ordinary shares of £1 each	500
1,500,000 ordinary shares of £1 each	1,500
	2,000

Except for the issue of 250,000 ordinary shares of £1 each on 10th July, 1970, allotted to the partners in predecessor *partnerships in respect of the assets and undertakings then transferred to the Company, there were no issues of share* capital during the period covered by this report, other than in connection with the cancellation and subsequent issue at par of an identical number of shares as a result of a scheme of arrangement under Section 206, Companies Act 1948 effected in June, 1972, or by way of capitalisation of reserves.

Assuming admission to the Official List on the Stock Exchange is granted on or before 27th June, 1975, the issued share capital will be £2,000,000 divided into 8,000,000 ordinary shares of 25p each.

(iv) The Company has contingent liabilities, which cannot be quantified, in respect of letters of indemnity (principally for *certified stock transfers and share certificates) given in the ordinary course of business.*

Yours faithfully,

THOMSON McLINTOCK & CO. SPICER AND PEGLER.

STATUTORY AND GENERAL INFORMATION

1. **Capital History**

The Company was incorporated as a company with unlimited liability on 2nd July, 1970 having an authorised share capital of £300,000 divided into 300,000 Ordinary Shares of £1 each of which 250,000 shares were issued. On 2nd March, 1972, it was re-registered as a company limited by shares.

On 15th May, 1972, the authorised capital was increased to £2,000,000 by the creation of 200,000 Preferred Ordinary Shares of £1 each, 1,200,000 Ordinary Shares of £1 each and 300,000 Unclassified Shares of £1 each; the Preferred Ordinary Shares and 1,250,000 Ordinary Shares were allotted credited as fully paid by way of a capitalisation of reserves.

On 1st June, 1972 the share capital was reduced to £1,800,000 by the cancellation of 200,000 Preferred Ordinary Shares of £1 each and was subsequently increased to its former amount of £2,000,000 by the creation of 200,000 Preferred Ordinary Shares of £1 each. These shares were allotted on 5th July, 1972 to Crossfriars Trust Limited, pursuant to a Scheme of Arrangement under Section 206 of the Companies Act 1948.

On 6th July, 1972 the 300,000 Unclassified Shares of £1 each were designated as Preferred Ordinary Shares of £1 each and were allotted credited as fully paid by way of capitalisation of reserves. As indicated earlier in this document, the authorised and issued share capital of the Company will, on a listing being granted, become 8,000,000 Ordinary Shares of 25p each.

2. **Articles of Association**

The Articles of Association of the Company contain provisions (*inter alia*) to the following effect:—

Voting Rights

(a) Subject to any special rights or restrictions as to voting attached to any class of shares, on a show of hands every member who is present in person has one vote and on a poll every member who is present in person or by proxy has one vote for every 25p in nominal amount of the Shares of which he is the holder.

Protection of Stock Exchange Interests

(b) No shareholder, other than a Stock Exchange Member (being an individual who is for the time being a member of The Stock Exchange) shall own beneficially more than 10 per cent. of the issued equity share capital of the Company or be entitled to exercise more than 10 per cent. of the total votes capable of being cast at any General Meeting of the Company. For such purpose the expression "shareholder" comprises any person, firm or company forming part of the same group or any person or persons and any company controlled by such person or persons taken together. If it becomes apparent that the 10 per cent. limit has been exceeded, the Directors (failing whom the Council of The Stock Exchange ("the Council")) shall serve a notice requiring relevant holding(s) to be appropriately reduced and (failing compliance within 28 days) shall sell the required number of Shares out of the relevant holding(s) and pay over the net proceeds of sale to the shareholder concerned.

Directors

(c) No person shall be appointed as a Director unless his proposed appointment shall have been previously approved by the Council and he holds the qualification for the time being laid down by the Rules and Regulations of The Stock Exchange. No person shall resign from office as Director without the previous written consent of the Council. If the Council shall at any time withdraw their approval of the appointment of any Director he shall thereupon *ipso facto* vacate office.

Directors' Remuneration

(d) *Any Director may be employed under a contract of service and paid such remuneration by way of salary,* commission or otherwise, as may be fixed by or in accordance with the provisions of such contract. A Director not employed under a contract of service shall be entitled to such remuneration as may from time to *time be determined by Ordinary Resolution of the Company and may be paid additional remuneration for* services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning *from meetings of the Directors or of any Committee of the Directors or General Meetings or otherwise in or* about the business of the Company.

(e) Any contract of service of any Director with the Company will automatically terminate if he ceases to be a Stock Exchange Member and will be subject to termination forthwith upon a resolution of the Council of The Stock Exchange to such effect being passed and in neither case shall any compensation be payable by the Company in respect of such termination.

Pensions

(f) The Directors may pay or agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

Contracts

(g) *A Director may contract or be interested in any contract or arrangement with the Company or with any other* company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the *Company or any such other company and he (or any firm of which he is a member) may act in a professional* capacity for the Company or any such other company and be remunerated therefor and (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him *therefrom.*

Directors' Votes

(h) Subject to certain exceptions conforming with Stock Exchange requirements a Director shall not vote at a meeting of the Directors in respect of any contract or arrangement or any other proposal whatsoever in which he has a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in *relation to any resolution on which he is debarred from voting.*

Retirement of Directors

(i) Section 185 of the *Companies Act 1948 regarding the appointment and retirement of Directors who have* attained the age of 70 applies to the Company.

Borrowing Powers

(j) *The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its* undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

3. **Directors' and Other Interests**

(a) (i) The interests of the Directors and their families in the share capital of the Company, as shown by the register of Directors' interests maintained *in accordance with the provisions of the Companies Act 1967 are as follows:*

	Ordinary Shares of 25p each *Beneficial*	*Non-Beneficial*
H. H. Merriman	200,000	20,000
D. H. LeRoy-Lewis	256,000	—
B. K. Peppiatt	*358,800*	355,000*
T. F. Jones	220,000	200,000*
T. F. F. Nixon	275,500*	1,000*
M. C. Sargent	*120,800*	—

*a total of 201,000 shares are duplicated

(ii) Both Crossfriars Trust Limited and Cables Investment Trust Limited own 800,000 Ordinary Shares of 25p each of the Company, each holding being 10 per cent. of the issued share capital. *The Directors are not aware* of any other holdings of 10 per cent. or more of the issued share capital.

(iii) The Directors and employees of the Company together with their families hold approximately 46 per cent. *of the share capital of the Company.*

(b) No Directors have service contracts with the Company nor are any service contracts proposed with the Directors which do not expire or which cannot be terminated without payment of compensation within one year.

(c) The aggregate emoluments of the present Directors for the year ended 27th September, 1974 were £87,442. The amount payable to the Directors for the current financial year under the arrangements in force at the date of this document is estimated at £88,000, before including any provision for a final bonus.

4. **General**

(a) The Directors believe that the close company provisions of the Income and Corporation Taxes Act 1970 do not apply to the Company.

(b) Save as disclosed herein (i) no capital of the Company or of its subsidiaries has been issued for cash or otherwise during the two years preceding the date of this document nor is any proposed to be issued, (ii) no unissued capital of the Company or its subsidiaries is under option or agreed conditionally or unconditionally to be put under option, (iii) no commissions, discounts, brokerages or other special terms have been granted in the two years preceding the date of this document in connection with the issue or sale of any capital of the Company or any of its subsidiaries, (iv) no Director is interested in a contract of significance (as defined for the purposes of the Rules of The Stock Exchange) with any company in the Group and (v) no Director has within the two years preceding the date of this document had any interests, *direct or indirect, in the promotion of, or in assets which have been or are* proposed to be acquired or disposed of by or leased to, any company in the Group.

(c) Neither the Company nor any of its subsidiaries has within the period of two years immediately preceding *the date of this document entered into any contracts (not being contracts in the ordinary course of business) which* are or may be material.

(d) Neither the Company nor any of its subsidiaries has any material litigation or other claims of material importance pending or threatened against it.

(e) The Company will pay all expenses of and incidental to the listing, including a fee to Hoare & Co. Govett Limited, out of which they will pay their own legal costs. These expenses, including V.A.T., are estimated to amount to £40,000 and have been provided for in the audited interim accounts to 20th March, 1975.

(f) Thomson McLintock & Co. and Spicer and Pegler have given and have not withdrawn their respective written consents to the issue of this document with the inclusion therein of their joint report and references thereto in the form and context in which they are respectively included.

(g) The Directors have been advised that no material liability for estate duty is likely to fall upon the Company or any of its subsidiaries.

5. **Documents Available for Inspection**

Copies of the following documents may be inspected at the offices of Linklaters & Paines, Barrington House, 59/67 Gresham Street, London, EC2V 7JA during usual business hours on any weekday (except Saturdays) for 14 days following the publication of this document:—

(i) the Memorandum and Articles of Association of the Company;

(ii) the Joint Accountants' Report and Statements of Adjustments, together with the above-mentioned written consents;

(iii) the audited accounts of the Company and of its subsidiaries for the two latest financial years ended 27th September, 1974 and the audited interim accounts of the Company for the period ended 20th March, 1975.

Dated 9th June, 1975.

Further copies of this document can be obtained from:—

AKROYD & SMITHERS LIMITED
55-61 Moorgate,
London, EC2R 6EJ
and
HOARE & CO. GOVETT LIMITED
Atlas House,
1 King Street,
London, EC2V 8DU.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Further broadfront loss: off 7.98

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 10.

BROADFRONT LOSSES were again recorded on Wall Street to-day, attributed largely to continuing doubts that the expected second half economic recovery would be vigorous. Doubts were increased by reports that OPEC nations would raise oil prices after September 30.

The loss was a little above the worst, however. The Dow Jones Industrial Average finished another 7.98 down at 822.12, after dipping 11.58 to 818.52. The NYSE All Common Index shed a further 42 cents to $48.12, while losses outpaced gains by 1,052 to 409. Trading volume expanded 460,000 shares to 21.13m.

Brokers also related selling to reports that Ford Motor, off $1 at $35½, would delay output on some 1976 models, extending its plant closings for model changeovers this year—and that some analysts now project a third quarter loss for Ford.

In Oils, California Standard fell $⅞ to $31½, Standard Ohio $⅞ to $71½, Mobil Oil $¾ to $45¼, Getty Oil $7 to $183, and Amerada Hess $1 to $19¾.

Continental Oil surrendered $¾ to $63⅝—it denied Federal Trade Commission charges that it understated natural gas reserves. The FTC's charges were made against 11 oil companies yesterday.

Eli Lilly gave way $1¾ to $72⅞—it was among several Pharmaceutical companies which analysts said could be vulnerable to a prolonged dispute by doctors protesting against the high cost of malpractice insurance.

G. D. Searle, the most active issue, recovered $1⅜ to $19⅜.

White Consolidated Industries moved up $1¼ to $20½—a newly acquired appliance unit is "near profitability."

Union Carbide were lowered $1⅞ to $56—preliminary indications are that second quarter net income "may be down 10 per cent. to 15 per cent. from the first quarter.

Harnischefeger advanced $3¼ to $49⅜ on a backlog up about 10 per cent. from a year ago and its forecast of higher year net.

The American SE Market Value Index was off 0.63 to 89.27, with declines outnumbering advances by 416 to 218.

Houston Oil and Mineral, the most active issue, moved up $⅞ to $24⅞ on volume of 111,800 shares.

Also active were Syntex, off $⅞ to $40⅞, Kewanee Oil, off $1½ to $17, Buttes Gas and Oil, off $½ to $20⅛, and Kaiser Industries, off $¼ to $9⅛.

Canada mixed

Canadian Stock Markets were mixed in moderate trading yesterday.

The Industrial Share Index lost 1.47 to 185.15, Base Metals 0.45 to 72.84, Western Oils 1.73 to 184.21 and Banks 0.41 to 259.50, but Golds further improved 2.73 to 414.66, Utilities put on 0.11 to 130.60 and Papers firmed 0.06 to 109.56.

Bovis added 12 cents at $1.27, on 30,455 shares after it won an $11m. Court Settlement.

Noranda Mines "A" were off $1¼ to $35½ and International Nickel $1 to $27.

OTHER MARKETS

PARIS — Generally lower in moderately quiet trading, discouraged by the overnight fall on Wall Street. Estimates that French car registrations in May were 25 per cent. lower than the previous May sent Motors sharply lower, and other sectors fell back in sympathy.

Metals, Electricals, Portfolios, Banks, Chemicals, Foods and drinks, Constructions and Stores were all down. But Oils and Rubbers were mixed, while Printings rallied.

Foreign stocks followed the general trend, with Americans and Foreign Oils particularly affected.

SWITZERLAND—Slightly irregular in light volume.

Major Banks were generally very steady. In irregular Financials, Juvena recovered Frs.60 to 430—"it does not plan to write down its capital." Motor Columbus rose Frs.20 to 920.

State Bonds were marginally higher.

Among Foreign shares, Dollar stocks were weaker, Dutch and German issues also lost some ground.

AMSTERDAM — Market fell sharply virtually across the board on continued lack of interest, with Dutch Internationals all lower. Sentiment was dampened by Wall Street's overnight fall, the Bank for International Settlements' report that it sees no marked world economic recovery for the time being, also increases in domestic unemployment and the cost of living.

State Loans were again very firm.

GERMANY—Mixed, with losses predominating somewhat in sporadic trading.

Banks were mostly lower. Dresdner Bank shed DM0.10 to 227 and Deutsche Bank were DM293.90 ex rights with the rights traded at DM29.20.

In lower Electricals, AEG eased DM0.10 to 79 and Siemens DM1.30 to 255.50. Chemicals were mixed to higher. BASF gained DM1.30 to 143.30, Hoechst DM1.50 to 132.50 and Bayer DM1.80 to 121.80. Metals were between DM2 and DM4 lower.

On the Bond Market, Public issues shed up to DM0.30, and Authorities took up DM11.5m. nominal value. Mark Foreign Loans again firmed.

OSLO—Banks, Shippings and Industrials were easier while Insurances were little changed

VIENNA—Mainly steady in uneventful trading.

COPENHAGEN — Irregularly lower in moderate dealings, although Banks rose.

BRUSSELS—Shares dipped on profit-taking.

Solvay lost Frs.1.00 to Frs.2,800 on reports of a possible dividend cut this year.

All Foreign sectors fell, apart from higher Golds and little changed Germans. Among U.S. shares, ITT dropped Frs.26 to Frs.850, IBM Frs.110 to Frs.7,860, General Motors Frs.50 to Frs.1,610, Union Carbide Frs.40 to Frs.2,055 and Westinghouse Frs.26 to Frs.670.

TOKYO—Prices continued to fall following the lower trend overseas and investor fears of a further rise in the crude oil price. Volume 150m. (130m.) shares.

Pharmaceuticals, Electricals, "Large-Capital" shares and Constructions were lower.

Paper-Pulps rallied towards the close but the move failed to gather momentum.

HONG KONG—Mixed in reduced trading.

Hong Kong Land fell 5 cents to $HK7.25, Hutchison 2½ cents to $HK2.475, Jardine 20 cents to $HK 25.10, Hong Kong and Kowloon Wharf 10 cents to $HK12.50 and Gammon 30 cents to $HK21.40.

MILAN—Moderately higher in quiet trading ahead of next week's Settlement and the Regional elections next Sunday.

AUSTRALIA — Prices closed mostly lower, although leading Industrials were firm in quiet trading.

Uraniums were generally weaker and Tins declined with Renison falling 48 cents to $A8.60.

Great Boulder shed 8 cents to 67 cents.

Property stocks and Breweries were steady, but Timbers retreated.

CSR gained 5 cents to $A4.65.

Minings were mixed.

JOHANNESBURG—Gold shares closed fractionally easier in a moderate turnover.

Some "speculative" issues showed small net gains, but elsewhere, shares were around 5 to 50 cents lower. Financial Minings were unchanged to a few cents harder.

Sharp £ fall

Sterling fell sharply against the U.S. dollar and other major currencies in the foreign exchange market yesterday, losing 110 points (about 0.47 per cent.) in terms of the dollar, at $2.3060-$2.3070—closing at its lowest of the day, after appreciable selling orders had brought a sharp fall in the late afternoon. Turnover on the day appeared moderate, with the late selling coming at a time when few London dealers were anxious to strike bargains. A major factor behind the fall over the day was concern over the U.K. economic outlook, which was heightened by the Bank for International Settlement's comments on the British prospect in its annual report. Sterling opened some 25 points below Thursday's closing level, at $2.3150-$2.3160, and showed modest fluctuations before drifting down by mid-afternoon to about $2.3100, and then falling in the last hour on the late wave of selling. It seemed possible that the authorities gave some support. The pound's trade-weighted average depreciation against ten units since the Washington Currency Agreement of December, 1971 (as calculated by the Bank of England in the later afternoon, when the pound was above its worst) was 25 per cent., against 24.6 per cent. overnight. The average stood at 24.7 per cent. in early dealings and at 24.8 per cent. at noon.

The dollar was a little weaker against leading currencies as a whole, its trade-weighted fall against 14 units since the Washington Agreement (as calculated on noon rates in New York by Morgan Guaranty) widened to 7.00 per cent., from 6.86 per cent., while sterling's depreciation on a similar basis widened to 30.52 per cent., from 29.89 per cent. The French franc showed some fluctuations, against the background of the negotiations for its re-joining the joint-float of certain Common Market and other countries, but showed little net change against the dollar, losing 20 points, at Frs.4.0145.

Gold was unchanged on balance in London, at $165¼-166¼, in moderate business. The metal opened at $165¾-166¾, easing slightly over the day.

The Krugerrand continued to lose ground against gold bullion in domestic dealings, its premium over its gold content falling to 16¾ per cent., from 17 per cent. In international dealings, however, the coin's premium was unchanged, at 3¼ per cent.

EXCHANGE CROSS-RATES

June 10	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankft'	—	2.3435-55	58.32 65	6.46 49	5.410 435	87.46 60	93.60 80
N. York	42.71-74	—	24.90-92	2.867-372	2.306-308	41.61-64	39.99 40.02
Paris	170.91 71.3	4.005-.015	—	11.4725 5075	9.266 291	166.62 075	160.01-41
Brussels	14.86-.95	34.88-93	8.68 73	—	80.69 99	14.49 55	13.62-98
London	39¾ 40¼	2.3065 75	9.26½ 26⅝	80 40 60	—	5.54-55	5.76½ 77½
Am'erdam.	102.54-59	2.4027 62	59.865 015	6.8835-85	[illegible].625 75	—	96.07-12
Zurich	106.73-87	2.500 502	62.34 44	7.1675 1775	5.77½-78½	105.99-4.15	—

U.S.$ in Montreal. U.S.$=102.52-54 Canadian cents
Canadian $ in New York, $C1=97.45-50 U.S. cents. U.S. $ in Milan 624.50
Sterling in Milan 1445-20.

EURO-CURRENCY INTEREST RATES*

June 10 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch guilder	W. German mark	Swiss franc
†Short term	8½-8¼	5-5½	4¼-5¼	1⅞ 2⅛	5-5¼	2-2¼
7 days notice	8¾-9¾	5⅛-5⅝	5⅛-6½	1⅞ 2⅞	4⅞ 5⅛	1-1⅝
Month	9⅝ 10⅜	5⅝ 5⅞	6¾-7⅛	2⅝ 2⅞	4½-4⅝	5¼-5⅛
Three months	10⅛-10⅞	5¾-6¼	6 13/16-7⅛	3½ 3¾	4⅝ 4¾	3 3/16 3 11/16
Six months	11¼-11⅝	6½-7	7⅜-7 9/16	4½ 4¾	5 5¼	4 1/16 4 11/16
One Year	12⅛ 12¾	7½-8	8-8 1/16	6⅛ 6⅝	5⅞-6	5 5/16 5 11/16

Euro-French deposits rates: short-term 14⅝-15¼ per cent.; seven days' notice 14⅝-15¼ per cent.; one-month 10-10½ per cent.; three months 9⅛-9⅜ per cent.: six months 9⅛-9⅜ per cent.: one year 9¼-9⅝ per cent.

Longer-term Eurodollar deposits: two years 8⅛-8⅝ per cent.; three years 8½-9 per cent.; four years 9-9½ per cent.; five years 9¼-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5⅜-5½ per cent.; three months 6⅛-5⅞ per cent.; six months 6⅛-6 7/16 per cent.: one year 7 15/16-7 9/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs

GOLD MARKET

	June 10 1975	June 9 1975
Gold bullion (a fine ounce)		
Close	$165¼-166¼	$165½-166½
Opening	$165¾-166¾	$165-166
Morning fix'g	$166.00 (£71.681)	$165.00 (£71.213)
Afternoon fix'g	$165.90 (£71.644)	$166.35 (£71.748)
Gold coins (domestically)		
Krugerrand	$192¼-194¼ (£83¼-84¼)	$193-195 (£83¼-84¼)
New sov'r'gns	$59-61 (£25½-26½)	$60-62 (£25¾-26¾)
Old sov're'gns	$58-60 (£25-26)	$58-60 (£25-26)
Gold coins (int'rn't'n'aly)		
Krugerrand	$170-172 (£73½-74½)	$170-172 (£73¼-74¼)
New sov'r'gns	$50½-51½ (£21¾-22¾)	$50½-51½ (£21¾-22¾)
Old Sov're'gns	$50½-51½ (£21¾-22¾)	$50½-51½ (£21¾-22¾)
$ 20 Eagles	$245-250	$245-250
$ 10 Eagles	$120-125	$120-125
$ 5 Eagles	$90-95	$90-95

FOREIGN EXCHANGES

June 10 1975	Bank Rates %	Market Rates: Day's Spread	Close
New York	6	2.3065-2.3180	[illegible]
Montreal	8¼	2.3668-2.3775	[illegible]
Amsterdam	6	5.54-5.57	5.54-5.55
†Brussels	8½	80.34-81.28	[illegible]
Copenh'gen	8	12.54-12.59	[illegible]
Frankfurt	4½	5.39-5.45	[illegible]
Lisbon	6½	55.75-56.45	[illegible]
Madrid	†7	128.58-128.48	[illegible]
Milan	7	1,439-1,446	1,440-1,442
Oslo	5½	11.51-11.57	11.51-11.52
Paris	8½	9.25-9.30	9.25½-9.26½

Indices

NEW YORK

DOW JONES AVERAGES

	Home Bonds	Transport	Indus.	Util.	Trading volume 000's
June 10	68.27	166.88	822.12	81.50	21,130
9	68.04	170.07	830.10	82.21	20,570
6	67.91	170.52	839.64	82.82	22,250
5	67.78	168.72	842.16	82.22	21,610
4	67.89	168.92	838.94	83.01	24,900
3	67.79	168.36	846.14	82.37	26,560
2	67.65	169.04	846.61	80.71	22,240
May 30	67.82	167.86	832.29	79.82	23,670
29	67.81	165.72	815.00	78.64	18,670
28	67.65	166.64	817.04	77.46	21,860
27	67.85	166.99	828.11	77.46	17,050
23	67.69	167.88	831.90	77.17	17,870
22	67.90	166.87	818.91	77.24	17,610
21	67.94	166.42	818.63	77.17	18,040
20	67.65	168.22	830.49	78.05	18,510
19	67.96	169.66	837.69	78.16	17,870
1975 High	69.92 (4/4)	174.12 (6/6)	858.73 (14/5)	83.01 (4/6)	—
Low	66.16 (5/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

June 6	May 30	June 7, 1974
4.59	4.63	4.52

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	J'ne10	June9	June6	June5	June4
49.35 (5/6)	37.06 (2/1)	48.12	48.54	49.19	49.28	49.24

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,833	113	1,051	378

	J'ne10	June9	June6	June5	June4
New Highs	52	109	152	155	196
Lows	2	5	2	6	6

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1972.

1975 High	1975 Low	J'ne10	June9	June6	June5	June4
90.71 (5/6)	62.20 (2/1)	89.27	89.90	90.69	90.71	90.04
Volume 000's		2,579	2,740	3,280	3,150	3,180

U.S. STOCK INDICES STANDARD AND POORS

	*Industrials	†Composite
June 10	101.50	90.44
9	102.39	91.21
6	103.57	92.48
5	104.17	92.69
4	104.07	92.60
3	104.49	92.89
2	104.27	93.58
1975 High	104.49 (3/6)	92.89 (3/6)
1975 Low	77.71 (9/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	June 4 1975	May 29 1975	June 5 1974
Ind. Ord. yield pc	3.64	3.75	3.66
Ind. Ord. p/e ratio	11.38	10.43	11.12
Long-term Govt. Bds. per cent.	5.91	5.88	6.60

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Changes on day
Searle G. D.	311,900	19⅜	−1⅜
Occidental Petroleum	200,700	17⅞	−⅝
CITT	178,300	24⅞	−⅛
Reserve Oil	167,500	16⅜	+⅞
General Motors	158,900	42⅞	−⅞
Southern Co.	152,900	13⅛	−⅛
MGA Petroleum	146,000	24⅞	−⅛
Continental Oil	132,600	63⅝	−¾
Howard Johnson	116,300	11⅞	+⅛
MacMillan	116,200	5⅛	—

TORONTO

INDUSTRIAL INDEX

June 10	June 9	1975 High	1975 Low
185.15	186.62	189.68 (14/3)	158.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

June 10	June 9	1975 High	1975 Low
193.99	195.33	197.95 (14/3)	139.95 (2/1)

COMBINED INDEX

June 10	June 9	1975 High	1975 Low
188.20	189.14	191.02 (14/3)	158.03 (2/1)

JOHANNESBURG

	June 10	June 9	1974-75 High	1974-75 Low
Industrials	220.5	216.9	216.9 (9/6)	153.0 (23/1)
Golds	307.4	307.5	379.1 (2/1)	265.2 (15/4)

1958=100. Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	June 5	May 29	May 23
On Dividends	7.02	7.15	7.58
On Earnings	13.49	13.67	14.44

SYDNEY ALL ORD. INDEX

June 10	June 9	High 1975	Low 1975
379.08	379.39	387.27 (5/6)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

June 10	June 9	High 1975	Low 1975
326.89	327.89	332.96 (22/5)	268.24 (10/1)

HONG KONG INDEX ⊕

June 10	June 9	High 1975	Low 1975
340.46	341.67	341.67 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

June 10	June 9	High 1975	Low 1975
231.55	230.46	468.69 (11/3)	155.26 (8/1)

EUROPE

	June 10	Previous	1975 High	1975 Low
Belg'm (a)	110.42	111.31	111.81 (1/6)	89.07 (2/1)
Denm'k (b)	91.84	92.04	92.04 (9/6)	75.36 (15/1)
France (d)	68.4	67.5	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	570.5	574.6	726.1 (15/4)	575.5 (2/1)
Holland (f)	100.6	102.0	107.6 (6/5)	83.8 (2/1)
Italy (g)	97.03	96.57	108.23 (21/2)	85.9c (8/1)
Spain (h)	101.30	101.52	110.96 (22/4)	96.98 (10/1)
Sweden (k)	363.3	363.26	376.65 (15/5)	310.5c (9/1)
Switz'rl'd (m)	268.4	269.2	295.1 (6/5)	206.2 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—88½% (89½%).

NEW YORK

CANADA

GERMANY ♦

AMSTERDAM

AUSTRALIA

VIENNA

TOKYO ¶

PARIS

JOHANNESBURG

BRUSSELS

MILAN

STOCKHOLM

SPAIN ♥

OSLO

SWITZERLAND ●

COPENHAGEN

FARMING AND RAW MATERIALS

Japan food stockpile proposed

TOKYO, June 10.

A GROUP OF major Japanese business and agricultural leaders said it was proposing a Y25.39bn. (£37.5bn.) programme to increase food production and build up 6m. tonnes of grain stockpiles in Japan by 1985.

Under the programme, which will be submitted to the Japanese Government, 1.35m. tonnes of wheat, 1.8m. tonnes of feed-grains, 360,000 tonnes of soyabeans and 2.5m. tonnes of rice would be stockpiled.

Japan's wheat crop would be increased to 1m. tonnes in 1985, from 202,000 tonnes in 1973, while the output of barley would rise to 1.8m. tonnes from 216,000 tonnes.

Imports of wheat and barley would decline, but those of feed grains would rise to 16.1m. tonnes, from 12.3m. tonnes. Japan's rice crop would remain at 12.1m. tonnes, with no imports expected in 1985.

The programme would be financed mostly by fiscal funds, especially for developing and improving farmland for increased food production, the group said.

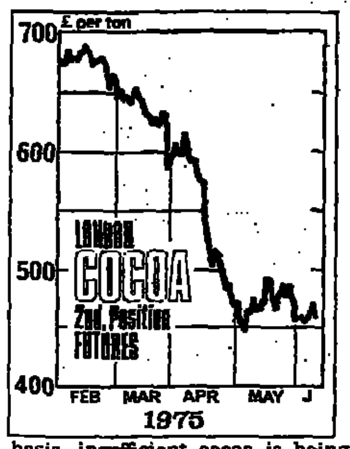
The group comprises 30 top business and agricultural leaders, including Mr. Toship Doko, president of the Federation of Economic Organisations (Keidanren), and Mr. Tomowo Miyawaki, former president of the National Federation of Agricultural Co-operatives.

Reuter

Sudden downturn in London cocoa market

BY JOHN EDWARDS, COMMODITIES EDITOR

COCOA PRICES on the London terminal market reversed sharply downwards yesterday after opening on a firm note. The higher levels brought trade and speculative selling with the result that the September position ended the day £12 down on the previous close, at £461.5 a tonne, having traded at £476 in early dealings. The December position lost £13, to £471.25.



The decline, in quiet trading conditions, was triggered by reports of further selling by Ghana and pessimistic predictions that demand will be insufficient during summer months to absorb the surplus supplies believed to be available.

Terminal market values are being somewhat distorted by a technical squeeze on nearby supplies, and also the changeover to a new futures contract from December, when the quality of cocoa that can be tendered onto the market will be raised. As a result, the September 1975 position could well become the dumping ground for poorer quality cocoa before it is excluded as deliverable under the new contract.

Generally it is felt that prices appear vulnerable, with the outlook for crops in major producing areas looking healthy, while demand is still suffering from the impact of previous high prices. Although on a long-term basis, insufficient cocoa is being produced to meet potential demand worldwide, in the short-term a rise in output appears to be coinciding with a temporary downturn in consumption. This is enabling stocks to be built up to more healthy levels.

Bearing this in mind, there should be more than academic interest in the current discussions in London this week on negotiations for a new International Cocoa Agreement, when the present pact expires. First indications are that the talks started on an amiable note, the producing and consuming sides both putting forward their ideas for terms of the proposed new Agreement. Negotiations start in real earnest in September.

There was some concern among consumers about a recent statement by the Alliance of Cocoa Producers, after its meeting in Abidjan last month, that certain measures were being taken to counter the decline in prices. If this involved stockpiling, or withholding supplies from the market, it was considered this would be contrary to the Agreement, involving unilateral action by one side.

The consumers were given an assurance, however, that the Alliance was not intending to break the "spirit or letter" of the Agreement and there was no plan to withhold supplies. This helped to clear the way for talks on the renegotiation of the Agreement to start in a friendly atmosphere, with both sides apparently not seeking any major changes in the existing pact.

Producers did submit some detailed proposals, however, including—as expected—an increase in the present price range, plus a mechanism to allow for automatic rises in line with cost inflation hitting producer earnings. The proposal did not specify what new "floor" and "ceilings" the producers had in mind, but it would be considerably above the present range.

Farm land values fall further

By Peter Bullen

FARM LAND values dropped by almost 14 per cent. in the first three months of this year, according to a Ministry of Agriculture report, out yesterday.

The Ministry's survey of land sales showed that the average price for all properties fell from £562 to £484 an acre between the last quarter of 1974 and March, 31, 1975.

The biggest drop was in the price of tenanted land—35.5 per cent., from £554 to £357 an acre in the first quarter of 1975. Land with vacant possession fell by only £59, or just over 10 per cent. to £509 an acre on average.

Also, less farm land is being sold. The Ministry said that the 137,413 acres sold in 2,062 transactions monitored in the six months to the end of March was only half the area sold in the comparable period three years ago.

Earlier this week, further evidence of the continuing fall in land values was given by the Country Landowners' Association's three-monthly survey which shows that, for the period up to the end of April—but covering only 138 transactions—the average for 12,400 acres of vacant possession land dropped from £548 to £545 an acre, and for 3,215 acres of tenanted land from £318 to £233 an acre.

Japan seeks to delay sugar shipments

By Our Commodities Staff

SUGAR VALUES dropped sharply on the London terminal market yesterday, following confirmation that Japanese sugar refiners and importers are seeking to defer contracted shipments of raw sugar until next year. The London daily price was fixed £5 higher at £170 in the morning, but by the close the October futures position had fallen £11.15 to £148.35 a ton.

The Japanese want to defer shipment of around 100,000 tonnes of raws because of heavy stocks, estimated at nearly 600,000 tonnes, which is double the normal level, reports Reuter. Buyers have asked for the shipments to be delayed by at least six months. Cuban, Filipino or Brazilian suppliers may be affected, they said.

Major importers said, however, that no such requests had been made over imports of Australian raws contracted under a long-term arrangement last December.

To be able to honour the Australian and similar contracts, Japanese buyers are reported to be considering deferring as many other contracts, mainly for spot delivery, as possible.

COMMODITY AGREEMENTS

Flurry of activity on world pacts

BY DICK WILSON

ACTIVE PREPARATIONS for a new round of international commodity agreements are being made by two groups, the Organisation for Economic Co-operation and Development (OECD) in Paris, and the United Nations Conference on Trade and Development (UNCTAD) in Geneva. The former is the "trade union" of the industrialised Western nations, and the latter serves as a focus for the demands of developing countries in the Third World.

Meanwhile, five experts, appointed by the Commonwealth Prime Ministers Conference in Kingston, are putting teeth into Mr. Harold Wilson's proposals for a new international commodity policy.

Discussions in the OECD in Paris, newly invigorated by the change in American policy expounded by Dr. Henry Kissinger recently are entirely among consumers of Third World products. It is only in UNCTAD that consumers and producers are debating together, and at some point the proposals of OECD nations will be put to Third World producers.

In readiness for this possibility the UNCTAD Committee on Commodities, which normally meets once every spring, is this year holding a resumed meeting next month, and another one at the end of the year in an unprecedented attempt to iron out basic agreement on a world commodity policy.

During the next three months attempts will be made to twine together these various strands to enable specific negotiations on individual commodities to proceed within an overall agreed international framework.

By proposing a joint commission for commodity agreements, Dr. Kissinger hopes to avoid a commitment to place the negotiations in UNCTAD, where the climate is regarded as too biased towards the Third World. But there is no way of avoiding the UN as such, and the special session of the UN General Assembly in New York in September will provide a highly political occasion for positions on both sides to be stated.

The link between UNCTAD and the Special Assembly is a strong and direct one, and it seems possible that the industrial West will eventually decide to pursue specific negotiations with specific groups of producers, but to present the eventual agreements as part of its contribution to the New International Economic Order propounded in the UN by the Third World.

In that event, the final session of the UNCTAD Commodities Committee in Geneva in November or December could provide a convenient forum for basic agreement on a limited world programme. And the fourth full-scale UNCTAD conference scheduled in Nairobi next May would be the logical site for a formal announcement of commodity agreements as part of a rapprochement between the West and the Third World. This presumes that some specific negotiations can be concluded within that time scale.

The list of commodities to be dealt with in this programme is not yet agreed. But it will almost certainly include those which have come closest in the past to agreement, as well as tin. The International Tin Agreement is the only one that is actually working, and its renewal in a strengthened form is being negotiated under the aegis of the UN in Geneva. The cocoa agreement is also being renegotiated in anticipation of it becoming active soon.

Unprecedented

Coffee, sugar and wheat are commodities where new agreements would have a lot of past experience to build on. As for entirely new commodity agreements, the most likely ones to be proposed are for copper, dairy products, jute, rubber and tea. Negotiations are going on already among the natural rubber producers on Malaysia's proposals for setting up an international stockpile to stabilise the world price.

In preparation for this possible agenda, the UNCTAD secretariat in Geneva is elaborating in more detail its ambitious programme for an integrated commodities scheme.

This includes the creation of multi-commodity buffer stocks originally estimated to cost $10.7bn. The Western nations $10.7bn.

But the costs have since been revised downwards. Dr. Gamani Corea, UNCTAD secretary-general, said the figure could be out by more than half.

Foot and mouth outbreak in Malta

By Our Own Correspondent

AN OUTBREAK of foot-and mouth disease has been reported in Malta. Agriculture Minister, Mr. Freddie M'calles, appeared on television to instruct farmers on measures to prevent the disease spreading.

Mr. Macalles said that seven pigs were discovered to be carrying the disease. They came from an isolated farm where the entire livestock was immediately destroyed.

Checks at the island's abattoir had proved that there had been no spreading, he said. All movement of livestock had been stopped and no sale or purchase of pigs, goats, sheep and cattle was being allowed.

Mr. Micalles said his Ministry suspects the disease broke out after pigs were given swill collected from a visiting ship.

Fertiliser supply 'tight'—UN

BY OUR COMMODITIES STAFF

THE MARGIN between supply and demand for fertilisers in the next 12 months will continue to be tight, says a United Nations report from Rome yesterday. After that the situation is likely to ease for a year or two, but subsequent developments will depend on additional fertiliser plant capacity being built in appropriate developing countries.

The report was drawn up by the Commission on Fertilisers of the UN's Food and Agriculture Organisation, which has been holding its second meeting in Rome to find ways of dealing with the short-term supply problems of developing countries, plus the longer-term problem of stabilising the world market.

Under its supply scheme to help developing countries buy fertiliser, some $66.5m. of the $73m. earmarked had been used on 42 assistance operations involving 22 African, 16 Asian and four Latin American countries—several being helped more than once. The Commission recommends that the scheme goes on for another year at least.

For the longer-term, the Commission has approved action aimed primarily at establishing greater stability in supply and prices of fertilisers, and with measures needed to increase fertiliser use in relation to the expanding requirements for food in developing countries.

A number of measures are recommended that could help towards evolving a world fertiliser policy. They include further development by FAO of its fertiliser intelligence system, including establishment of an international data centre, and the regular preparation of forecasts of fertiliser supply and demand, and price developments, as well as information on costs of production and new production capacities.

Emphasis was also given to a study of all possible price stabilisation measures, including commodity agreements, with particular attention to the development of pricing arrangements which would make possible long-term contracts equitable to both exporters and importing developing countries.

The Commission proposed that FAO undertake this work in close collaboration with member governments, the fertiliser industry and interested international organisations.

Turn-round in coffee market

By Our Commodities Staff

COFFEE PRICES fell on the London market yesterday after over a week of consecutive rises. The September position ended the day £9.25 lower at £459.25 a tonne.

The fall was seen partly as a reaction to reports from Rio de Janeiro that the temperature in Parana State, Brazil, had risen since the week-end, removing any immediate risk of frost damage to coffee trees. The week-end frost scare was a contributing factor in Monday's rise which lifted the September quotation to a 1975 high of £468.5 a tonne.

Tied cottages report 'explodes myths'

FINANCIAL TIMES REPORTER

FACTS about tied farm cottages disclosed in a survey published yesterday by an independent organisation, the Tavistock Institute of Human Relations, are claimed by both farmers and farm workers to support their arguments against or for abolition of the system.

The institute's 19-month survey on 281 farms in England, Wales and Scotland in which all the farmers and 803 farm workers were interviewed "explodes many myths," the report says. For example, the mean take-home pay of workers living in tied cottages is about 17 per cent. higher than for those not living in tied cottages.

This means, says the report, that farmers either place their more highly-paid workers in tied cottages or that employees in tied cottages tend to become better paid. On the other hand, those living in tied cottages tend to work longer hours in the busy seasons than others, and are more likely to be called out in an emergency.

"Farmers who continue to farm without any tied cottages present the strongest argument for the lack of necessity for the tied cottage system," the report says.

It estimates that 90,000 (or 50 per cent.) of all regular full-time workers on farms live in tied cottages, with the highest proportions in Scotland and south-east England. With an average value of £10,000 a cottage, the total value of the whole cottage stock is £1.8bn.

Commenting on the report, Mr. John Cossins, vice-president of the National Farmers' Union, said: "There is nothing in it which justifies abolition of the tied cottage system."

A spokesman for the National Union of Agricultural and Allied Workers said the 300 cases of eviction a year quoted in the report represented "misery on a massive scale." The report seemed "to vindicate everything we have been saying for years—that the tied cottage system is completely unnecessary."

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Traded within narrow limits before closing marginally lower on balance on the London Metal Exchange. Prices were initially a shade firmer reflecting the easier tone of sterling but after touching £536 forward metal eased to £533 before ending at £533.5 on the afternoon Kerb. Turnover 9,155 tonnes.

Amalgamated Metal Corporation reported that in the morning cash wirebars traded at £514, 14.50, three months £536 to 33.50, 34. Cathodes: cash £504, three months £534.50, 24, 23. Kerbs: Wirebars: three months £534, 33.50, 34, 33.50. Afternoon: Wirebars: mid-June £514, three months £533, 33.50, 33, 33.50. Cathodes: cash £504. Kerbs: Wirebars: three months £533, 33.50.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	514.5-5	+1	513.5-4.5	—1.5
3 months	534-.5	+.5	533-.5	—1.75
Settlem'nt	515	+1	—	......
Cathodes				
Cash	503-4	+.25	504-5	—1
3 months	523-.5	+.5	523.5-4	—1.25
Settlem'nt	504	+.5	—	......
U.S. Smt.	—	......	*63.70	......

PRICE CHANGES

Prices per ton unless otherwise stated.

	June 10 1975	+ or —	Month ago
Metals			
Aluminium (x)	£396	....	£378.6
Free market cif.	£285-295	....	£275-280
Copper §			
Cash Wire Bars(x)	£514	—1.5	£545.75
3 month do. do.(x)	£533.25	—1.75	£564
Cash Cathode (x)	£504.5	—1.0	£536.25
3 months do. (x)	£523.75	—1.25	£554.5
Gold ...... Troy oz.	$165.75	....	$168
Lead Cash (x)	£149.5	+3.75	£189.5
3 months (x)	£153.75	+3.0	£182.375
Nickel (x)	£1,917	....	£1,880
Free market cif (lb)	$1.85-2.0	+0.05	$1.70-1.8
Platinum(b)troy oz.	£57-71.5	....	£57-71.5
Free Market	£65	....	£64½-66½
Quicksilver(76lb)(x)	$150-165	—2.0	$128-165
Silver Troy oz.	197.8p	+5.45	197p
3 months	203p	+5.65	202.6p
Tin Cash (x) §	£3,021	—20	£2,986
3 months (x)	£3,055	—8.5	£3,027
Wolfram 22.04lb.cif	£39-41	....	£41½-45½
Zinc Cash(x)§	£327.75	—4.25	£319.5
3 months(x)	£298.5	+1.0	£310.75
Producers (x)	£360	....	£380
Oils			
Coconut Malayan	‡	....	‡
Groundnut		....	
%	‡	....	£386
Linseed Crude (x)	£450	....	‡
Palm Malayan (x)	‡	....	£175
Soyabean (x)	‡	....	‡
Seeds			
Copra Philipp ton	$220	....	$240
Gr'nuts Nigerian	‡	....	‡
Linseed Can. No. 1	£151p	....	£162
Grains			
Barley EEC	£50.25	....	£49.75
Home Futures	£54.45	+0.15	£49.45
Maize			
French No.3 Am.	£52.5	....	£52.0

U.S. Markets

U.S. Markets Sugar falls on Japan report

NEW YORK, June 10.

SILVER declined on local selling while copper closed lower on renewed commission house and chartist selling. Trade selling pushed cocoa values lower. Sugar fell on news that Japan wished to defer nearby deliveries. Late local selling and prospects of clearing weather in the Mid-west forced Chicago grains lower across the board, Bache reports.

Cocoa—Ghana spot 64½ (65½). Bahia spot 54½ (55½). July 47.45 (48.25). Sept. 44.50 (45.75). Dec. 44.25. March 44.45. May 44.80. July 45.40. Sept. nil. Sales: 1,032.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams 72.50 nom. (same). "C" Contract: July 58.40-58.50 (58.03). Sept. 58.70-58.85 (59.40). Nov. 59.20 bid. Dec. 59.00. March 59.60-59.65. May 59.90-60.15. Sales: 334.

Copper—June 52.00 (52.60). July 52.20 (53.10). Aug. 52.70. Sept. 53.30 settlements. Sales: 935 lots.

Cotton—July 44.85 (45.19). Oct. 46.20 (46.50). Dec. 46.66. March 47.78. May 45.30-48.35. July 48.55 bid. Oct. 49.15 bid. Sales: 2,636.

†Gold—June 165.40 (166.60). July 166.30 (167.50). Aug. 167.30. Oct. 169.80. Dec. 171.90. Feb. 174.20. April 176.40. June 178.70. Aug. 180.98. Oct. 283.10. Sales: 501.

Greasewool—Spot 134.0 nom. (same). July 132.5-149.0 (133.5). Oct. 137.3-141.0 (134.9). Dec. 138.0-142.8. March 140.8-142. May 140.0-145.0. July 140.0 bid. Oct. 140.0 bid.

†Lard—Chicago loose 24½ nom. (24 asked). NY drummed 30½ nom. (30 nom.).

STOCK EXCHANGE REPORT

Fall continues against gloomy economic background

Share index down 12.5 more at 339.8—Golds steadier

Account Dealing Dates

*First Dealings	Declarations	Last Dealings	Account Day
Jun. 2	Jun. 12	Jun. 13	Jun. 24
Jun. 16	Jun. 26	Jun. 27	Jul. 8
Jun. 30	Jul. 10	Jul. 11	Jul. 22

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets suffered another sharp setback yesterday against the gloomy economic background highlighted by the expected 15 per cent. reduction in capital expenditure as shown in the Department of Industry survey and by the Bank of International Settlements' warning on the U.K.'s problems.

The extent of the reaction in leading industrials was shown in the FT 30-share index which finished with a fresh fall of 12.5 at 339.8, making a loss of 22.2 over the last two trading days. Conditions remained extremely thin and jobbers found it difficult to absorb some sizeable selling which developed around 11 p.m.

Second-line equities followed in the wake of the leaders, although bid situations prompted the odd firm feature. The overall reaction was well illustrated by the near 8-1 majority of falls over rises in FT-quoted Industrials and by the fresh setback of 2.2 per cent. to 146.42 in the FT-Actuaries All-share index. The general level of trade, however, was very restricted with official markings falling away to 6,833 compared with Monday's 8,628.

Gold mining shares made a much steadier showing after the previous day's setback, the Gold Mines index closing 3.3 better at 374.9.

Gilts easier late

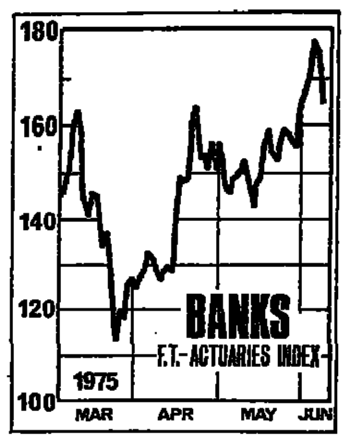
The fairly sharp fall in U.S. Treasury bill rates overnight initially encouraged short-dated Gilt-edged buyers and small recoveries extending to ⅛ were quickly established. When buyers lost interest, however, a reaction set in and, despite the help of late switching from the longs, many quotations were finally a fraction easier on balance. Until the "after-hours" trade, the mediums and longs held at overnight list levels, then the switching shorter brought a distinctly easier trend.

After the recent prolonged spell of weakness, business in investment currency became more evenly balanced which led to only a narrow fluctuation in the premium between 87½ and 89½ per cent. before a close of 88½ per cent. for a loss of ⅝. After being temporarily suspended in Canada on Friday, dealings in Peoples Department Stores were restarted; yesterday's close in London was 550p. Yesterday's SE conversion factor was 0.5967 (0.5944).

Clive Discount, which was taken over by Sime Darby in September 1972, returned to the stock market yesterday in lively fashion following the highly successful offer-for-sale of the bulk of the share capital at 48p per share: after opening at 56p, the 20p shares fluctuated between 53p and 56p before closing at 54p after a heavy turnover.

Another day of persistent small offerings in a market lacking support saw the big four Banks drift lower and close at the day's worst. Barclays, 306p, and National Westminster, 256p, both lost 12, while Lloyds and Midland were 11 easier at 247p and 267p respectively. Bank of Scotland were similarly treated and also ended 11 off at 274p. Bank of Ireland lost 20 to 430p and Allied Irish relinquished 7 to 107p. Discounts also wilted with Union, 315p, Allen Harvey and Ross, 300p, both 10 cheaper. Merchant Banks displayed no set trend but had dull spots in Keyser Ullmann, 52p, and Kleinwort Benson, 112p, both of which fell 6. Hambros, however, hardened 3 to 148p in front of to-morrow's results and satisfaction with the preliminary figures left Hill Samuel 1 harder at 87p, after 89p. UDT came on offer at 20p, down 4, in Hire Purchases.

Sellers again held the stage in Insurances and Sun Alliance fell 15 more to 408p, making a two-



day decline of 34. "Royals" lost 10 to 310p and Guardian Royal Exchange 7 to 203p.

Breweries once again succumbed to persistent small selling in an unwilling market. Arthur Guinness (results due June 18) lost 5 to 109p and Greene King shed 6 to 134p. J. W. Cameron, at 110p, recovered the previous day's loss of 2 on the satisfactory interim results. Elsewhere, Distillers ran back 6 more to 136p and Teacher (Distillers) declined 5 to 190p.

Apart from A. Gunn, up 4 more at 63p following the announcement that the company is involved in bid talks, Buildings lost fresh ground and closed with some sizeable losses. Associated Cement were 6 off at 145p, while Tunnel "B," 125p, and Aberthaw, 84p, shed 4 apiece. Taylor Woodrow declined 8 further to 300p and falls of 5 were sustained by Marley, 79p, and L. Fairclough, 170p. Travis and Arnold ended a penny off at 68p after the preliminary results. Small selling left Magnet Joinery 14 easier at 139p, while other dull spots included London Brick, 3 cheaper at 49p, and Hewden Stuart, 4 off at 60p.

ICI remained on offer, falling 7 more to 291p. Fisons were lowered 11 to 404p, while Albright and Wilson, 74p, and Laporte, 92p, gave up 4 and 6 respectively. Carless Capel closed 3 easier at 66p, sentiment being affected by the terms of the "rights" issue which accompanied the results. Norsk Hydro were quoted ex the "rights" issue in London at £55, down 3, with the new nil-paid closing at £26 premium following a fair turnover.

Stores lively

A good two-way business developed in Stores which closed easier where changed. After opening at 240p, Marks and Spencer reacted to 234p before closing 5 easier on the day at 236p. "Gussies" "A" retreated 4 to 188p and British Home Stores declined 8 to 349p, but a large turnover in F. W. Woolworth left the shares at the overnight level of 50p. Among secondary issues, Mothercare gave up 4 more at 172p for a two-day fall of 16. Mail Orders were also depressed.

Electrical leaders retreated further in thin trading, but again finished above the day's worst, GEC, 127p, after 125p, and EMI, 180p, after 176p, both ended a net 4 cheaper, while Plessey were finally 2 easier at 71p, after 69p. Elsewhere, Chloride suffered a reaction to 103p on the preliminary results, before hardening to 105p for a net loss of 6. Racal Electronics declined 8 to 258p and Louis Newmark 5 to 90p, while losses of 4 were sustained by Decca "A," 204p, Pifco "A," 45p, and Sangamo Weston, 73p.

Tube Investments were affected badly in Engineerings, losing 20 to 276p following a fair amount of selling possibly aroused by a report that the company was stopping its U.S. cycle production. GKN reacted 12 to 242p, while losses of 6 were common to John Brown, 63p, Vickers, 135p, and Hawker, 290p, the last-named after 288p. Secondary issues portrayed similar easiness, John Brockhouse slipping 7½ to 152½p and Blackwood Hodge 6½ to 140p. Awaiting to-day's preliminary figures, Pegler-Hattersley fell 5 to 135p and, despite the Abu Dhabi £2.3m. contract, Capper-Neill gave up 5½ to 42p. Against the gloomy background, counter-bid hopes lifted Sheffield Twist 7 to 78p, while W. Williams were raised 5 to 25p on the overseas' expansion drive.

J. Sainsbury were an outstanding dull spot in Foods at 167p, down 7. Associated British Foods gave up 2 more at 64½p following Press comment on the preliminary figures, while RHM ended 1½ easier at 42½ and Spillers 2 cheaper at 41p. Cavenham finished 3 off at 141p, after 139p, but Tate and Lyle managed to close a penny firmer at 256p, after 250p. Fitch Lovell, 63p, and Associated Dairies, 182p, lost 4 apiece. Biscuit Manufacturers had Associated 5 cheaper at 62p and United 3 easier at 97p. Alpine Soft Drinks, however, closed a penny up at 76p, after 78p, on the results. Tesco remained dull, shedding 1½ more to 46p.

Grand Metropolitan, ahead of Friday's interim report, receded 3 to 62p. Reo Stakis were 2 cheaper at 22p, while losses of 5 were seen in Ladbroke, 163p, and J. Lyons "A," 153p.

Pilkington weaker

Miscellaneous Industrial leaders came under increased selling pressure and a small late recovery still left falls extending to 16, as in Glaxo, 432p, after 428p. Pilkington retreated 10 more to 187p for a two-day fall of 25 awaiting Friday's results. Unilever closed 14 lower at 382p, after 378p, while fresh losses of about 8 occurred in Beecham, 299p, Boots, 250p, after 247p, and Bowater, 172p, after 168p. Reed International were finally 10 cheaper at 255p, after 248p, while BOC International, in front of to-morrow's interim report, ended 1¼ off at 56p, after 55p. Elsewhere, Johnson Matthey weakened late by 13 to 319p on some disappointment with the annual results. Falls of around 8 were recorded in Wedgwood, 178p, Avon Rubber, 57p, and Portals, 146p. J. Coral receded 6 to 103p and Hanson Trust 5 to 150p, but Elson and Robbins, despite lower half-time profits, improved 1½ to 27½p.

Rolls-Royce featured dull Motors with a fall of 4 to 61p. Dunlop, 51p, and Lucas Industries, 115p, shed 3 apiece, while Dowty were lowered 4 to 111p. York Trailer, at 30p, gave up 2 of the previous day's rise of 6. Armstrong Equipment eased 3 to 42p as did Clayton Dewandre to 52p. In Garages, Lex Service and Scottish Automobile both closed 1½ cheaper at 14p and 27½p respectively. Godfrey Davis, at 32p, gave up 2 of Monday's Press-inspired rise of 6.

In contrast to a trend of overall dullness in Paper/Printings, Chapman (Balham) were raised 13 to 110p on the good results. With other equity leaders, DRG fell 5 to 111p, while Inveresk gave up 3 to 64½p. Newspapers were not immune, Thomson losing 7 further to 200p, after 199p, and United 5 to 225p.

An idle day's trading in leading Properties left prices closing just a shade easier for choice. Land Securities, awaiting next Tuesday's results, ended a penny cheaper at 175p, after 173p. MEPC managed to rally 2 to 124p after recent weakness on the poor interim results. Against the continuing easier trend in secondary issues, Regional Properties "A" hardened a penny to 41p on the letting of its City Wall House office block. Town and Commercial put on 2 to 17½p. Berkeley Hambro, however, lost 7 to 148p, and Property Security Investment 4 to 39p, while Brixton Estate, after the full report, were 2 easier at 91p. Property and General Investments shed 6 to 44p as did M. and G. Dual Capital, to 108p.

The likelihood of a switch in OPEC pricing policy was of no great burden to Oils which moved lower in unison with the general market downturn. Persistent selling took Shell down 16 to 311p, the day's lowest. British Petroleum fell 10 to 508p, after 505p, and Ultramar slipped 11 further to 204p, the latter in the absence of any confirmation regarding the recently rumoured oil find. Burmah shed 3 to 31p, Tricentrol 4 to 64p and British-Borneo 6 more to 152p. Among oversea stocks, Pan Ocean came back 45 to 795p.

Overseas Traders remained under a cloud and Inchcape receded 13 more to 350p. James Finlay gave up 8 at 142p and Booker McConnell 6 at 155p, while Harrisons and Crosfield followed the results for the six months' period with a reaction of 75 to 900p. Lonrho, after Monday's gain of 2 on the half-year statement, receded 5 to 145p. Ocean Wilsons closed 4 off at 100p after the annual results.

Losses in Trusts and Financials ranged to 13 as in Nelson Financial at 417p, while First Re-Investments receded 10 to 262p and Melbourne and General reacted 8 to 150p. Bishopsgate

After another very small business in Shippings, P & O Deferred closed 3 easier at 98p. Atlantic, on the other hand, were marked up 10 to 260p following the results.

Sold down to 124p at one stage, Courtaulds closed a fresh 5 easier at 126p in dull Textiles where small selling accounted for a fall of 10 to 72p in Youghal Carpets.

Selling which continued "after-hours" left Bats 13 down at the day's lowest of 320p in Tobaccos. Imps cheapened 2 to 60p as did Tobacco Securities Trust to 258p: the latter's interim results are expected to-day.

In South Africans, Hulett's Corporation retreated 15 to 280p and Tiger Oats came back 20 to 740p.

Further consideration of the good results helped Crosby House harden 4 more to a 1975 "high" of 105p, making a two-day rise of 13 in idle Teas. Rubbers were ignored with Guthrie hardly tested at the overnight level of 225p.

Golds steadier

Gold shares were a steadier market than of late. Although the investment dollar premium was initially lower again, it subsequently rallied to close only narrowly down on balance, while bullion ended unaltered on the day at $165.75 per ounce.

Prices of the South African producers opened modestly firmer following the overnight tone of transatlantic markets and, in quiet trading, generally held on to the earlier gains being encouraged by renewed U.S. interest in "after-hours" trading. The Gold Mines index rallied 3.3 to 374.9.

Helped by the higher dividend for the year to June 30, Blyvoor put on 25 at 850p. President Brand were ¼ up at £24¼ as were Western Holdings, at £35¼. On the other hand, following the sharply reduced interim payment, Durban Deep fell 35 to 985p.

Financials were quietly mixed with the London-based issues dampened by the further reaction in the U.K. Industrial market. Gold Fields gave up 6 at 249p, Charter 4 at 184p and Selection Trust 10 at 645p. Renewed Cape interest was reported in Mhoota which put on 7 at 280p, but other Coppers were lower where changed.

In Platinums, Potgietersrust jumped 16 to 216p following an upward movement in the Cape market. Reflecting the general easiness in home markets overnight, Australians recorded scattered, although generally small, losses. Aemex moved between 24p and 14p, before closing 2½ lower on balance at 15p and Vultan eased 2 to 18p.

Occasional offerings caused fresh losses in Tins and Geevor came back 20 to 245p. Despite the increased dividend, Berjuntai were 10 off at 390p. Elsewhere, Sabina eased 5 to 95p following news that mineralisation had been encountered by the drilling on the company's Navan prospect in Ireland being undertaken by Messina; the latter were 5 lower at 325p.

FINANCIAL TIMES STOCK INDICES

	June 10	June 9	June 6	June 5	June 4	June 3	A year ago
Government Secs.	58.33	58.35	58.72	58.51	58.26	58.25	[illegible]
Fixed Interest	58.17	58.14	58.51	58.35	58.16	58.13	[illegible]
Industrial Ordinary	339.8	352.3	362.0	365.3	359.0	360.6	[illegible]
Gold Mines	374.9	371.6	399.0	398.9	414.4	413.2	[illegible]
Ord. Div. Yld. %	5.83	5.64	5.49	5.43	5.53	5.67	[illegible]
Earnings Yld. % (full)	17.45	16.89	16.44	16.57	16.89	17.29	[illegible]
P/E Ratio (net) (b)	8.18	8.46	8.68	8.55	8.39	8.19	[illegible]
Dealings marked	6,833	8,628	7,555	7,717	7,539	7,721	[illegible]
Equity turnover £m.	—	65.09	107.41	93.51	76.67	75.59	[illegible]
Equity bargains total	—	20,757	25,503	22,166	21,867	20,781	[illegible]

10 a.m. 347.7. 11 a.m. 344.0. Noon 342.0. 1 p.m. 341.8. 2 p.m. 339.4. 3 p.m. 338.9.

Latest Index 01-246 8026. † Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax (b) Nil=8.12.

Basis 100. Govt. Secs 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/3)	50.53 (6/1)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	289.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	June 10	June 9
Daily—		
Gilt-Edged	150.7	[illegible]
Industrials	227.8	[illegible]
Speculative	63.4	[illegible]
Totals	155.5	[illegible]
5-day Av'ge		
Gilt-Edged	144.9	[illegible]
Industrials	261.7	[illegible]
Speculative	67.2	[illegible]
Totals	174.9	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

No.	Equity groups	Tuesday, June 10, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Monday June 9 Index No.	Friday June 6 Index No.	Thurs. June 5 Index No.	Wed. June 4 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	123.79	−2.5	19.26	6.42	7.68	7.67	127.01	131.26	129.84	128.77	102.87	131.26 (6/6)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	103.96	−3.3	21.28	7.49	7.18	7.18	107.53	112.33	111.84	111.17	102.95	117.40 (22/4)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	230.43	−1.6	16.83	3.87	8.88	8.88	234.20	241.73	237.33	234.83	170.24	251.61 (23/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	220.62	−2.5	17.07	5.32	8.45	8.43	226.25	234.64	231.88	228.38	193.07	234.64 (6/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	146.88	−3.2	23.50	7.36	6.41	6.41	151.75	154.06	153.11	153.70	109.50	159.79 (23/4)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	110.61	−2.5	19.84	7.25	7.39	7.39	113.49	117.40	115.71	115.03	83.90	117.40 (6/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	43.39	−0.1	13.27	7.88	13.94	13.94	43.42	43.56	43.87	44.03	35.72	48.98 (20/5)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	117.91	−2.2	20.61	6.61	7.01	7.01	120.50	121.76	121.18	120.34	93.98	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	88.39	−2.5	20.36	6.93	7.25	7.23	90.44	93.15	92.05	90.97	90.16	93.15 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	100.28	−2.4	20.32	5.12	7.13	7.12	102.76	106.34	105.91	104.32	108.64	106.34 (6/6)	44.28 (6/1)	257.41 (19/5/72)	42.85 (13/12/74)
11	Household Goods (15)	138.45	−2.0	30.48	7.67	4.74	4.74	141.29	144.86	143.88	142.84	144.90	146.90 (23/4)	[illegible] (6/1)	[illegible] (4/5/72)	[illegible] (17/12/74)
12	Motors and Distributors (29)	48.59	−2.2	16.05	9.17	9.73	9.67	49.67	50.91	49.63	49.19	44.39	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	138.65	−2.0	14.49	5.88	9.84	9.79	141.55	146.45	145.68	145.68	108.96	146.45 (6/6)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	155.57	−0.7	12.83	6.35	11.65	11.65	156.66	163.83	159.07	158.96	126.93	163.83 (6/6)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	161.71	−3.3	14.00	5.80	10.53	10.53	167.23	176.43	172.70	173.66	143.38	176.43 (6/6)	80.42 (6/1)	257.40 (15/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	148.98	−2.4	14.46	7.54	10.18	10.18	152.57	158.26	157.71	156.14	123.34	158.44 (27/5)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	147.47	−2.6	13.97	5.32	9.73	9.68	151.37	156.57	155.61	156.30	108.94	156.57 (6/6)	62.05 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	139.79	−2.5	11.19	4.47	13.20	13.20	143.09	148.65	148.65	149.17	100.00	149.17 (4/6)	57.15 (2/1)	236.08 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	147.24	−2.9	16.23	6.49	9.28	9.28	151.68	152.14	151.39	151.04	138.57	152.14 (6/6)	55.08 (6/1)	260.29 (12/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	98.78	−3.0	24.42	6.92	6.04	6.05	101.86	105.21	104.76	103.53	75.86	107.12 (20/5)	43.46 (6/1)	156.69 (26/4/72)	43.46 (6/1/75)
21	Stores (30)	125.02	−1.9	11.03	5.19	13.57	13.57	127.44	132.12	131.87	131.79	87.91	132.94 (20/5)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	134.22	−3.2	26.05	6.65	4.58	4.44	138.61	143.34	142.80	144.06	116.84	145.07 (27/5)	62.91 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobacco (3)	189.45	−1.0	17.48	7.03	8.51	8.51	191.42	194.44	196.69	194.54	175.93	199.18 (10/3)	109.92 (6/1)	339.16 (2/8/72)	94.54 (13/6/62)
24	Toys and Games (6)	43.05	−2.1	29.34	7.16	4.77	4.77	43.98	44.08	43.36	43.14	39.94	44.08 (6/6)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	181.13	−2.2	19.65	4.96	7.26	7.26	185.23	189.17	188.51	186.53	155.22	189.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	92.65	−1.5	15.42	5.73	8.73	8.73	94.01	97.12	96.79	97.88	112.59	104.78 (17/4)	45.34 (2/1)	246.05 (1/9/72)	45.34 (2/1/75)
27	Shipping (11)	356.45	−0.8	22.44	6.75	5.70	5.51	359.33	371.61	367.81	370.90	340.45	401.84 (10/3)	194.38 (6/1)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	144.19	−2.9	18.30	6.76	7.90	7.89	148.44	153.58	152.46	152.36	122.14	153.58 (6/6)	60.39 (6/1)	258.85 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	135.88	−2.2	17.05	6.01	8.43	8.40	138.96	143.43	142.46	141.96	111.75	143.43 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	281.15	−3.3	26.17	5.40	4.10	3.82	290.61	294.57	294.24	296.47	216.46	296.47 (4/6)	105.85 (2/1)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	148.08	−2.4	18.40	5.92	7.29	7.13	151.69	156.14	155.21	154.93	120.67	156.14 (6/6)	65.49 (6/1)	227.95 (15/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	138.68	−1.9	—	5.23	—	—	141.81	145.38	144.69	144.44	110.83	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	164.52	−4.1	22.49	4.79	6.62	6.62	171.60	175.64	177.11	170.20	131.23	177.11 (5/6)	62.56 (2/1)	288.52 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	153.86	−2.1	—	7.80	—	—	157.22	159.23	157.62	156.41	134.71	169.27 (7/5)	84.13 (6/1)	293.13 (2/6/72)	81.40 (10/12/74)
35	Hire Purchase (5)	89.31	−7.6	27.94	10.26	4.76	4.36	96.53	99.47	100.91	99.88	205.82	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	113.19	−0.9	—	6.03	—	—	114.26	119.25	118.15	118.58	93.18	127.97 (23/4)	44.88 (2/1)	194.46 (16/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	113.02	−1.0	—	5.83	—	—	114.19	118.93	117.12	118.46	73.04	123.90 (26/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	203.80	−0.2	9.85	4.30	15.06	15.06	204.13	209.64	210.14	209.23	144.25	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	87.45	−1.9	—	7.10	—	—	89.11	91.06	89.81	88.12	99.16	94.97 (7/3)	31.81 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	188.26	+0.2	4.44	3.33	33.12	32.28	187.93	190.68	189.45	198.58	146.81	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	73.22	−2.6	13.63	8.87	10.69	10.57	75.16	75.68	74.82	72.76	93.74	75.78 (23/4)	34.78 (10/1)	303.15 (19/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	171.41	−1.8	2.95	4.06	33.91	33.91	174.56	178.53	177.29	175.49	122.34	178.53 (6/6)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	146.42	−2.2	—	5.66	—	—	149.77	154.09	153.20	152.84	117.87	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	466.95	−1.2	11.11	7.03	10.66	10.20	472.67	486.23	495.56	500.29	380.66	525.43 (23/5)	281.66 (2/1)	555.87 (23/7/73)	84.68 (26/6/65)
45	Teas (10)	96.39	+0.3	19.98	10.03	6.36	5.88	96.13	96.13	95.40	95.47	104.47	96.39 (10/6)	76.76 (10/1)	121.47 (1/5/72)	69.72 (17/10/74)
46	Coppers (3)	388.99	−2.9	50.48	19.41	1.98	1.98	400.56	411.09	415.65	426.49	393.92	467.74	374.38	567.78	94.08
47	Mining Finance (11)	132.16	−0.5	9.93	4.00	11.82	11.78	132.86	134.94	136.85	140.26	98.82	[illegible]	[illegible]	[illegible]	[illegible]
48	Tins (8)	105.08	−1.5	9.70	7.89	13.87	11.40	106.65	110.92	111.37	112.60	99.22	[illegible]	[illegible]	[illegible]	[illegible]
49	Overseas Traders (13)	236.10	−2.8	15.50	3.99	8.20	8.18	252.53	257.81	258.66	240.75	—	252.35	97.37	262.92	97.37

	FIXED INTEREST	Tuesday, June 10 Index No.	Yield %	Monday June 9	Friday June 6	Thurs. June 5	Wed. June 4	Tuesday June 3	Monday June 2	Friday May 30	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.67	14.66	14.54	14.53	14.63	14.63	14.73	14.93	14.05	—	—	—	—
2	20-yr. Govt. Stocks (6)	47.45	13.65	47.52	47.80	47.63	47.48	47.50	47.30	47.10	51.58	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	46.24	15.91	46.24	46.23	46.16	46.15	46.13	45.80	45.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trusts Prefs. (15)	42.29	16.57	42.34	42.19	42.47	42.51	42.66	42.66	42.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	59.84	15.87	59.57	59.29	59.17	59.06	59.01	58.93	59.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group / Base Date / Base Value: [illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
Shell Transport	25p	16	311	−16	343	118
Distillers	50p	15	136	−6	149	65½
ICI	£1	14	291	−7	302	115
Barclays Bank	£1	12	306	−12	325	112
GKN	£1	10	242	−12	277	95
Nat. Westminster	£1	10	256	−12	275	88
Reed International	£1	10	255	−10	297	124
BATS	25p	9	320	−13	358	164
Imperial Group	25p	8	60	−2	65½	[illegible]
Bowater	£1	8	172	−7	[illegible]	95
EMI	50p	8	180	−4	200	62
GEC	25p	8	127	−4	133	50
Glaxo	50p	8	432	−16	472	198
Grand Met.	50p	8	62	−3	69	19½
Assoc. P. Cement	£1	7	145	−6	172	64

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new Highs and Lows for 1975.

NEW HIGHS (30)

[illegible]

NEW LOWS (3)

[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns., Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jun. 10	Jun. 23	Sept. 4	Sept. 16
Jun. 24	July 7	Sept. 18	Sept. 30
July 8	July 21	Oct. 2	Oct. 14

"Calls" were done in First National Finance, Lonrho, Town and City, Central Wagon, Spirella, Guest Keen, London United, Amalgamated Investment Property, House of Fraser, Coalite and Chemical, Lake and Elliot. "Puts" were done in A. P. Cement and English Property, while "doubles" were arranged in Ultramar, E. Bates, Guest Keen, Lonrho, Burmah Oil, John Laing "A," B.P. and Shell Transport.

Industrials	
A. P. Cement	20
Assoc Leisure	5
Barclays Bank	35
Beecham	28
Boots Drug	24
Bowaters	20
B.A.T.	35
British Leyland	1½
British Oxygen	6
Burton 'A'	9
Cadburys	6
Courtaulds	14
Debenhams	11
Distillers	15
Dunlop	6
Eagle Star	16
E.M.I.	20
First National	5
G.R.A. Trust	7
Gen. Accident	16
Gen. Electric	14
Glaxo	40

[illegible]

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 10 per cent. (Since May 2, 1975)

Day-to-day credit was in fine supply in the London money market yesterday, following the exceptional shortage of the previous day. Books were balanced without official intervention, and it seemed possible that banks carried on a surplus. Banks had brought over a shortage from Monday, there was a net market take-up of Treasury bills, the note circulation rose and the Discount market repaid to the Bank of England the moderate sum borrowed overnight at the Minimum Lending Rate of 10 per cent. Government disbursements, on the other hand, were greater than revenue transfers to the Exchequer, with movements of funds to local authorities apparently a factor.

Discount houses bid 8¾ per cent. initially for secured call loans in the earlier part, though levels up to 9½ per cent. and 9⅝ per cent. were touched, while late balances were found at rates ranging from 7 per cent. to 8 per cent. In the inter-bank market, overnight loans were commonly at about 9-9½ per cent.

Short-term fixed period rates in the various sectors showed modest changes. The one-month sterling certificate yield was unchanged on the day, at 9¼-9⅛ per cent., the three-month was a shade firmer, at 9⅞-9¾ per cent., and the one-year was unchanged, at 10⅛-10¼ per cent. In some areas, such as the local authority deposit field, however, there was certain reductions.

Rates in the table below are nominal in some cases.

June 10 1975	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposit	Treasury bills ♦	Eligible Bank bills ♦	Fine trade bills ♦
Overnight	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or 7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

BASE LENDING RATES

AFI International
Allied Irish Banks Ltd.
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
Brown Shipley
Cayzer Ltd.
Cedar Holdings
Charterhouse Japhet
C. E. Coates
Consolidated Credits
Continental Trust Bk.
Co-operative Bank
Copleys Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
Guinness Mahon
Hambros Bank
Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Scot.
Keyser Ullmann
Kingsnorth Securities
Lloyds Bank
London & European
London Mercantile
Midland Bank
Samuel Montagu
Morgan Grenfell
Morris Wigram Ltd.
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept'cs
Royal Trust Co. of Canada
E. S. Schwab
Security Trust Co. Ltd.
Standard & Chartered
Sterling Credit
Thames Guaranty
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Wallace Brothers Bank
Whiteaway Laidlaw
Williams and Glyn's
Yorkshire Bank

* Members of the Accepting Houses Committee.
* 7-day deposits on sums of £10,000 and under [illegible]
† Demand deposits [illegible]

I.G. INDEX GOLD [illegible]

CORAL INDEX: Close 337-342

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Canpon Assurance [illegible]

AUTHORISED UNIT TRUSTS

[illegible]

The British Life Office Ltd.♥
...iance Hse., Tunbridge Wells, Kt. 0892 22271

British Life	39.4	41.1	−0.7	5.29
Balanced*	29.0	30.7	−0.3	4.87
Capital*	31.9	33.8	+0.3	5.23
Dividend*	27.3	28.9	−0.2	9.60

*Prices on June 11. Next dealing June 18

(a)(g) G. and A. Un. Tst. Mgrs. Ltd.♥
5, Rayleigh Rd., Brentwood. (0277) 227300.

G. & A.	23.0	24.6xd	−0.4	5.32

Gartmore Fund Managers♥
2, St. Mary Axe, EC3A 8BP. 01-283 3531.

British Trust	33.2	35.7	−0.7	4.46
High Inc. Tst.	29.6	31.8	−0.3	11.39
(Z)Overseas Tst.	25.8	27.7	......	1.58

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share ...es previously shown under regional headings is presented below with quotations ... London. Irish issues, most of which are not officially listed in London, are ...wn separately and with prices as on the Irish exchange.

...any Inv. 20p	12	......	Gardner (L.)	62	......	Shiloh Spinn.	23	......
... Spinning	36	......	Craig Ship. £1	470	......	Sindall (Wm.)	45	......
...tam	26	......	Hallam Sleigh 10p	9	......	Vincent (H.)	85	......
...dy (G.) 'A'	51	−3	Higsons Brew.	97	−5			
...wtr. Est. 50p	£135	......	I.O.M. Stm. £1	110	......	IRISH		
...er Croft	35	......	Holt (Jos.) 25p	188	......	Alliance Gas (£1)	57	+2
...g & Rose £1	312	......	Kleen-e-Ze	30	......	Carroll (P. J.)	117	+2
...dee Ice £1	295	......	Lovell's Ship £1	130	......	Clondalkin	59	......
...on (R.A.)	35	......	N'thn. Goldsmith	65	......	Concrete Prods.	72	......
...s & McHdy.	57	......	P.M.A.	37	......	Goodbody (£1)	38½	......
...ns Fr'k. 10p	28	−3	Pearce (C. H.)	60	......	Heiton (Hldgs.)	30	−1½
...red	13	......	Peel Mills	18	......	Irish Distillers	62	−4
... Forge	48	......	Richards 10p	8	−1	Irish Wire	40	......
...ay Pkg. 5p	16	......	RobbCaledon 5p	50	......	Jacob	55	......
...t & Reed 50p	88xd	−3	Sayers 12½p	9p	......	Sunbeam	13	......
... iner & Sons	11	......	Sheff. Refrshmt.	150	......	Unidare	68	......

Savings Bond conversion

...LDERS OF 7 per cent. British ...ings Bonds (First Conversion ...e) issued on May 15, 1970 are ...eceive a conversion offer, the ...isury announces.

...olders of such Bonds will be ...ted to make exchange on ...ober 15 into 9¼ per cent. ...ish Savings Bonds (Second ...version Issue) which will be ...yable on application at £103 ... cent. on maturity. The terms ...the new Bonds will be the ...e as on the subscription issue ...h went on sale on June 3 ..., except that interest will be ...ible on April 1 and October 1.

Holders of the maturing Bonds who decide not to accept the conversion offer should apply for repayment. No interest will be payable on the Bonds after they mature on October 15 and they can be repaid only upon application.

Prospectuses and notices will be sent on June 13 to holders, *together with forms of request* for conversion and forms of application for repayment.

The list of acceptances of the conversion offer will be closed on July 11.

CONTRACTS AND TENDERS

...ERSONAL

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Save & Prosper International Ltd.
37, Broad St., St. Helier, Jersey 0534 20591

Int. Gro. Fd. June 2	US$5.87	6.42	......	—
Dl. Fd. May 27	3.52	3.85	......	—
J'dne. FEF May 27	21.73	23.75	......	—
‡‡Sepro. June 4	$US12.17	13.32	......	—

Dealings Monday. ‡Dealings Wed.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000

Chea Fd June 6		$US11.34	+0.03	3.35
Trafalgar Apr. 30		US$78.32	......	—
Asian Fd. June 2	12.14	12.60	......	3.24

Singer & Friedlander Ldn. Agents
20, Cannon St., EC4. 01-248 9646

Dekafonds	DM25.30	26.70	−0.20	6.74
Tokyo Tst. May 30.		US$24.73	......	2.43

Slater Walker Ins. Co. (C.I.) Ltd.
P.O. Box 121, St. Peter Port, Guernsey.

W.Wd. F. June 6		69.0	......	9.0

Slater Walker (Jersey)
2-6, Church St., St. Helier, Jersey. 0534 37361

Growth Invest.	247.2	267.2	......	3.00
Intnl. Fd.	60.8	65.7	......	3.00
Jersey Energy Tst.	139.1	150.4	......	1.00

Value at Jun. 6. Next deal June 16.

S. G. Warburg & Co. Ltd.
30, Gresham Street. E...

[illegible]

World Wide Growth Management
10a, Boulevard Royal...

[illegible]

NOTES

Prices do not incl... applicable, and are ... indicated. Yields allo... x Offered prices incl... prices. c Yield ... d Estimated. g Distr... z Offered price incl... agent's commission, ... all expenses if bo... r Previous day's pric... capital gains unless ... yield. s Suspended ... insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or -	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
98⅝	90¼	Savings 3pc '65-75‡‡	98⅝	.....	3.03	9.48
99⅞	94½	Exch 6½pc 1976‡‡	98⅛	..	6.62	9.15
97¼	92¼	Treasury 6½pc 1976‡‡	97⅛	...	6.69	9.12
99	97	Victory 4pc 1976‡‡	99	......	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	100⅞	....	10.40	9.86
95	88⅞	Treasury 6¼pc 1977‡‡	94½	...	6.60	9.54
91¾	86¼	Electric 3pc '74-77	91⅝	-½	3.27	8.18
103[illegible]	96⅞	Treasury 11½pc '77‡‡	102¼	+[illegible]	11.25	10.31
88[illegible]	84	Treasury 3pc '77‡‡	86[illegible]xd	+[illegible]	3.45	9.23
88⅝	84⅛	Transport 4pc '72-77	88⅝xd	......	4.53	9.27
96[illegible]	90½	Treasury 9pc 1978‡‡	95[illegible]	-[illegible]	9.43	10.92
96[illegible]	93¼	Treasury 9pc '78 'A'‡‡	95[illegible]	-[illegible]	9.43	10.94
100[illegible]	96⅝	Treasury 10½pc '78‡‡	98[illegible]xd	-[illegible]	10.61	10.98
87⅛	79	Exchequer 5pc '76-78‡‡	85⅝	......	5.85	10.33
103	94[illegible]	Treasury 11½pc '79‡‡	100½	......	11.39	11.14
79⅝	71½	Treasury 3pc '79‡‡	77⅝	......	3.87	9.48
81	73⅞	Electric 4¼pc '74-79	79⅜	......	5.35	10.30
100¼	96	Treasury 10½pc '79‡‡	98	......	10.27	11.06
79⅝	71	Electric 3½pc '76-79	77⅝	......	4.52	9.84
95	84	Treasury 9pc 1980‡‡	92¾	......	9.70	10.98
—	—	Treasury 9½pc '80‡‡	£95	......	10.00	10.85
Five to Fifteen Years						
79	68¼	Treasury 3½pc '77-80	75¼	......	4.62	9.71
84½	71	Funding 5¼pc '78-80‡‡	79⅞xd	.....	6.57	10.49
75½	66⅛	Treasury 3½pc '79-81	73⅝	......	4.82	9.94
91⅛	72⅝	Do 8¼pc '80-82‡‡	85⅝xd	.....	9.83	11.50
104⅝	86⅝	Treasury 12pc 1983‡‡	102½	......	12.04	12.04
78	58	Funding 5½pc '82-84‡‡	71¼xd	......	7.66	10.58
85¼	61⅞	Treasury 8¼pc '84-86‡‡	78¼xd	......	10.73	11.94
73¼	51⅞	Funding 6½pc '85-87‡‡	67⅝	......	9.72	11.72
76¼	53	Treasury 7¾pc '85-88‡‡	72¼	......	11.15	12.67
46⅛	32⅞	Transport 3pc '78-88	41⅞xd	... ..	7.13	11.82
55¼	39¾	Treasury 5pc '86-89	51	.....	9.96	12.57
Over Fifteen Years						
75½	53¼	Treasury 8¼pc '87-90‡‡	66¼	... ..	12.34	13.44
55¼	41⅝	Funding 5¾pc '87-91‡‡	52	..	11.28	13.20
97½	86⅝	Treasury 12½pc '93‡‡	86⅝xd	......	14.24	14.43
54½	40½	Funding 6pc 1993‡‡	49⅞	......	12.39	13.78
75¼	54⅛	Treasury 9pc '94‡‡	65½	......	13.87	14.41
[illegible]						

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (MISCEL.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 67⅝% (based on $2.2145 per £)

CANADIANS

[illegible]

S.E. List Premium 67⅝% (based on $2.2745 per £)

Conversion factor 0.6967 (0.5944)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£14¾	780	Durban Deep R1	965	−35	‡Q110c	ϕ	‡
£14	860	E. Rand Prp. R1	£10½	+¼	‡Q115c	ϕ	‡
105	55	Rand Leases 2½c	62	+2	—	—	—
£34½	£22	Randf'tn Est. R2	£30	−¼	—	—	—
500	260	West Rand R1	370	......	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
370	235	Bracken R1	290	......	†Q51c	1.1	11.3
23	13	Daggafontein 50c	15	−1	—	—	—
105	68	East Dag R1	88	......	Q25c	ϕ	18.3
140	140	Grnt. Areas 5c	140ϕ	......	—	—	—
380	210	Grootvlei 30c	290	......	Q32c	1.1	7.1
820	410	Kinross R1	680	......	†Q50c	1.5	4.7
198	107	Leslie 80c	142	+2	†Q22c	1.6	10.0
550	325	Marievale 70c	470	......	Q84c	1.1	11.5
725	380	S. African Ld. 35c	610	+10	Q85c	1.2	9.0
265	175	Vlakfontein R1	215	......	Q35c	1.3	10.5
£13¾	840	Winkelhaak R1	£12⅛	......	†Q94c	1.2	2.7
120	65	Wit. Nigel 25c	90	......	Q1c	10.9	0.7

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£11	680	Blyvoor 25c	950	+25	Q100c	ϕ	6.9
£21½	£17	Buffels R1	£19½	−¼	Q180c	ϕ	0.0
£14¾	920	Doornfontein R1	£12¼	+⅓	†Q100c	1.4	5.2
£12¼	725	East Drie R1	£10⅜	+¼	Q55c	1.8	3.4
£12½	725	Do. Comb Units	£10¼	+⅛	—	—	—
450	295	Elsburg R1	395	+15	†Q45½c	1.2	7.6
£31	£16	Hartebeest R1	£25½	−¼	†Q160c	1.7	4.0
£13¼	815	Kloof Gold R1	£10¾	......	‡Q79c	2.2	‡
£17¼	875	Libanon R1	£13⅜	−⅜	†Q100c	2.0	4.8
£13¾	960	Southvaal 50c	£12	+⅓	Q9c	ϕ	0.5
480	340	Stilfontein 50c	390	−5	‡Q65c	1.3	‡
£33¼	£21	Vaal Reefs 50c	£28½	+¼	Q220c	1.7	5.0
£11½	650	Venterspost R1	965	−10	†Q75c	1.7	5.0
£55	£34	W. Drie R1	£48¾	+¼	†Q400c	1.2	5.3
745	450	W'st'rn Areas R1	640	+5	†Q70c	1.4	7.2
£23	£15	Western Deep R2	£20¼	+⅓	Q160c	ϕ	5.1
520	295	Zandpan R1	440	−10	†Q27c	1.0	4.0

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
400	290	Fr. State Dev. 50c	360	......	†Q12c	1.8	2.0
£32½	£21	F.S. Geduld 50c	£28¼	+¼	†Q310c	1.1	7.2
960	550	Harmony 50c	775	−5	Q77c	ϕ	6.4
575	320	Loraine R1	410	......	Q12c	6.7	1.9
£28¼	£19½	Pres. Brand 50c	£24¼	+⅓	†Q245c	1.3	6.5
£25¾	£14½	Pres. Steyn 50c	£17	+½	†Q135c	1.8	5.1
£39¾	£21½	St. Helena R1	£31¼	......	†Q230c	1.2	4.7
340	210	Unisel	265	−5	—	—	—
525	370	Welkom 50c	420	......	†Q55c	1.6	8.4
£40	£27¼	W. Holdings 50c	£35¾	+¼	†Q145c	1.1	8.0

FINANCE

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
520	313	Ang. Amer. 10c	460	−5	Q29c	2.0	4.1
£45½	£27½	Ang. Am. Gold R1	£41	......	Q250c	1.4	3.9
£16¼	850	Ang-Vaal 50c	£15¼	−½	†Q75c	1.7	1.9
205	87	Charter Con.	184	−4	24.8	ϕ	5.3
290	188	Cons. Gold Field	249	−6	t26.8	4.5	4.1
32	17	E. Rand Con. 10p	26	......	9¼	ϕ	5.5
380	230	Geduld Inv. R1	365	−5	Q34c	0.4	6.0
*£38¼	271½	Gen. Mining R2	£36½	......	†Q210c	2.1	3.7
*£39	£24½	G. Fields S.A. 25c	£37	......	bQ190c	1.5	3.3
£25¾	£11¾	Joburg Cons. R2	£25	......	†Q135c	2.3	3.5
480	260	Middle Wit 25c	470	......	Q22c	ϕ	3.0
300	184	Minorco $BD1.40	280	+7	‡Q30.2	1.1	‡
275	160	New Wit 50c	220	......	†Q14c	1.8	4.1
£10¾	760	Patino NV Fls.5	900	......	QC40c	10.5	1.9
£10¾	730	Rand Selection 50c	£10½	−⅛	†Q70c	1.6	4.3
695	322	Selection Trust	645	−10	ϕ156	1.4	3.4
450	255	Sentrust 10c	390	......	Q30c	ϕ	5.1
81	27	Silvermines 2½p	65	−2	a160	1.6	6.2
170	130	SW Africa 20p	160	......	88¾	2.0	17.1
£14½	560	T'vaal Cons. Ld. R1	£13½	......	†Q55c	2.5	2.6
475	250	U.C. Invest R1	430	......	Q36c	1.2	5.4
580	390	Union Cp. 6.25c	520	......	Q42c	1.6	5.2
£22	13½	Vereeniging R2	£22	......	QR1.15	ϕ	3.4
87	30	Vogels 2½c	82	......	Q6c	1.0	4.9

DIAMOND AND PLATINUM

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£31	£15¾	Anglo-Am. Inv. 50c	£29¾	+¼	Q290c	1.0	6.3
95	48	Bishopsgate Plt. 10c	90	+3	‡Q8c	0.9	‡
312	161	De Beers Df. 5c	284	−2	Q25c	2.2	5.7
£17	£11½	Do. 40pc Pf. R5	£17	......	128.9p	125.5	7.6
128	80	Lydenburg 12½c	125	+2	Q13.9c	1.0	7.6
230	100	Pot. Plat. 2½c	216	+16	‡Q21c	1.0	‡
175	94	Union Plat. 10c	160	+5	‡Q20.4c	1.0	‡
170	95	Waterval 5c	160	+5	‡Q21.4c	1.0	‡

CENTRAL AFRICAN

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
345	198	Coronation 25c	240	−10	‡Q92c	1.4	‡
250	175	Falcon Rh. 50c	215	......	†Q55c	1.5	—
52	42	Globe Phnix 12½p	48	......	10	—	4.1
24	15	Rho-Corp. 16½p	19	......	Q5	8.0	4.4
440	290	Roan Cons. K4	290	−10	‡Q95	1.8	‡
230	92	Tanganyika 50p	216xd	−4	26	ϕ	9.3
75	60	Do. Pref. 80p	75	......	Q9	ϕ	10.0
34	26½	Wankie Col. Rh. 1	32xr	−1	‡Q12c	1.3	—
70	56	Zam. Cpr. $BD0.24	59	−2	Q17.3p	1.1	29.3

AUSTRALIAN

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
24	10	Acmex 25c	15	−2½	—	—	—
138	96	A. M. and S. 50c	124	......	Q14c	1.5	6.5
122	76	Bougainville 50c	103	......	Q27½c	ϕ	15.1
242	152	BH South 50c	206	−2	‡Q13c	2.5	‡
215	155	Gold M. Kalg. $1	155	......	—	—	—
85	36	Gt. Boulder 10c	67	−2	ϕQ2c	§2.8	1.7
137	76	Hampin Areas 5p	118	−8	22.2	1.5	1.5
115	36	Metals Ex. 50c	36	−2	—	—	—
43	17	Metromar 20c	17	......	—	—	—
246	117	M.I.M. Hlds. 50c	218	......	sQ14c	2.1	3.6
135	88	Mt. Lyell 25c	115	......	sQ7.5c	4.5	3.7
2¾	2	Newmetal 10c	2	......	—	—	—
138	102	North B. Hill $1	120	−3	Q9c	1.5	4.2
16½	8	North Kalg. 30c	10½	−½	—	—	—
75	47	Oakbridge $A1	62	−1	Q7	2.6	6.4
450	220	Pancont'l 25c	345	−10	—	—	—
25	9	Paringa M&Ex 5p	17	+1	—	—	—
360	235	Peko-Walls'd 50c	290	......	Q15c	ϕ	3.0
540	395	Poseidon 50c	440	−5	—	—	—
3	2	Scamander 25c	2	......	—	—	—
20	8	Vultan Min. 50c	18	−2	—	—	—
6	4¾	Westmex 10c	5	......	—	—	—
214	137	W. Mining 50c	175	−2	Q8c	1.0	2.6
50	31	Whim Creek 20c	33	......	—	—	—

TINS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
56	32	Amal. Nigeria	52	−4	†20.8	1.6	15.4
160	77	Ayer Hitam	138	−2	39.2	1.2	10.9
36	20	Beralt Tin	23	......	—	—	—
424	268	Berjuntai $M2.5	390	−10	Q$M2	ϕ	9.2
17	13	Ex Lands 10p	17	......	13.7	0.9	12.8
246	216	Geevor	216	−2	†74	2.3	13.2
18	11	Gold & Base 12½p	15	......	6.7	1.6	9.2
288	157	Gopeng Cons.	245	−20	57	ϕ	9.0
73	55	Hongkong	73	......	—	—	—
58	40	Idris 10p	58	......	67	ϕ	17.8
11	7	Jantar 12½p	11	......	—	—	—
68	43	Kamunting 15p	63	−2	†40	0.8	14.7
165	140	Killinghall	165	......	48	—	11.2
192	106	London Tin 20p	177	......	35	ϕ	6.1
220	93	Malay Dredging	190	−5	g43.9	1.6	8.9
*49	27	ΔPahang	41	−2	†Qh1½	1.5	7.9
65	44	Pengkalen 10p	59	......	70	1.0	18.3
95	75	Petaling $M1	91	−1	—	—	—
23	8	Saint Piran	18	......	‡5.3	1.3	‡
135	68	South Kinta (10p)	123	......	†82.5	0.9	10.3
180	73	Sthn. Malayan	153	−2	g43.9	1.4	11.0
83	47	Sungei Besi 20p	71xd	−2	30	ϕ	13.0
43	33	Sungei Weg $M1	42	......	ZQ10	—	4.2
84	48	Tanjong 15p	68	......	29	ϕ	9.8
75	60	Tongkah Hb $M1	60	......	‡Q30	1.3	‡
93	42	Tronoh	81	−3	16.1	3.5	7.8

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
86	56	Botswana RST R2	70	−3	—	—	—
390	196	Messina R0.50	325xd	−5	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
8	3	Burma Mne 17½p	8	......	m0.5	—	1.7
56	17	Charterhall 5p	54	−1½	—	—	—
115	75	Colby Mines $1	75ϕ	......	—	—	—
760	360	Cons. Murch. 10c	680	+10	Q130c	2.2	12.3
53½	29½	Laurasia	34½	......	—	—	—
19	13	NRD $1	15	......	—	—	—
375	200	Northgate C$1	285	......	Q65c	1.0	9.9
211	80	R.T.Z.	183	−7	19.9	4.4	4.2
135	47½	Sabina Inds. C$1	95	−5	—	—	—
70	51	Stanford Mines $1	60	......	—	—	—
£12½	875	Tara Expln. $1	£10½	......	—	—	—
75	38	Yukon Cons C$1	60	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent, and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ϕ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ϕ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £285 per annum for each security

FINANCIAL TIMES
Wednesday June 11 1975

EEC steel plan may cut output by 15%

BY REGINALD DALE

BRUSSELS, June 10.

THE Brussels Commission's revised steel programme for the coming four months is expected to set production in the Community at about 15 per cent. lower than during the same period of last year.

The Commission's aim is to provide "guidance" to the steel industry in its efforts to overcome the crisis caused by falling demand and prices.

The new figures, which the Commission is due to complete to-morrow, are not in any way binding. Nevertheless, Community steel producers will be expected to conform largely to the "indicative forecasts" contained in the programme, worked out in consultation with industry and Government representatives, if output is to be matched more closely to the current depressed level of demand.

Last minute changes could still be made to the figures, but the latest recommendation by Commission experts is that Nine-nation production in the four months June to September should be put at 42.8m. tonnes, against 50.55m. tonnes last year (a cutback of 15.33 per cent.)

Figures for individual countries will not be published until the programme has been put to a meeting of the European Coal and Steel Community Consultative Committee in Luxembourg on Friday. It is not expected here, however, that there will be any suggestion that the British Steel Corporation should make any further cuts in production.

Politically, the Commission's task in the steel sector should be easier now that the U.K. referendum campaign is over. It should, for example, no longer have to face charges, whether justified or not, that it is interfering unduly in member states' affairs.

Indeed, Commission officials are already showing undisguised delight, mixed with some amusement, at the alacrity with which Mr. Anthony Wedgwood Benn, the former anti-Market Secretary for Industry, proposed new steps towards industrial co-operation in the Community.

The French Government has reassured its Community partners that it is still interested in creating a competitive Europe-based data processing industry, in spite of the merger between the French CII and the American Honeywell-Bull. The merger should, in fact, help to create such an industry, leading to further co-operation between European companies, the French say in a memorandum delivered in Brussels last week.

Mirror group plans £2.8m. computer printing

BY MICHAEL THOMPSON-NOEL

A £2.8M. DEVELOPMENT plan involving the introduction of what it calls the world's most sophisticated computer typesetting systems was announced yesterday by Mirror Group Newspapers. The aim, said Mr. Percy Roberts, managing director and chief executive, was to ensure that all the group's newspapers survived into the 1980s, and to provide job security for employees.

In addition to installing the new £1.69m. typesetting systems — designed to help reduce manning levels — the group plans to concentrate its London printing arrangements at its Holborn and Orbit House, London, headquarters, to close down its Stamford Street plant, and to print 120,000 copies of the Daily Mirror at a new web-offset plant in Plymouth.

Mr. Roberts explained the plans yesterday to managers and the print unions. "It would be unrealistic to think that such vital progress could be made without difficulties," said Mr. Roberts, "but with co-operation, patience and enthusiasm at every level, those difficulties can be overcome."

Manning reductions, said Mr. Roberts, would be negotiated with the unions. The group employs 8,600—6,700 of whom are production staff. Schemes involving voluntary redundancies and voluntary early retirement will be put to the unions. There will be no redundancies among journalists.

The group publishes 16 newspapers, including the Daily Mirror, Sunday Mirror, Sunday People and Sporting Life.

Eventually, said Mr. Roberts, the development plan could make a "substantial" contribution to the group's operating profits, which for 1975-76 are forecast at about £2.6m. compared with £75,000 in the year to March, 1975, and a loss of £1.64m. the previous year.

Earlier group plans to convert its entire letterpress operation to web offset, which would have cost £40m., have been abandoned.

The new photo-typesetting systems will provide full-page composition capability "at the touch of a button," and will use the Linotron 606, a photocomposer developed by Linotype-Paul. This processes 3,000 newspaper lines per minute, equivalent to the outut of 500 Linotype machines. A full Daily Mirror page, including graphics, will be produced in 90 seconds, once the information has been fed into the computer. Front page lead stories can be re-set in four seconds.

Mr. Roberts said the new systems will involve a heavy re-training programme. New proposals on pay, possibly involving a switch from piecework to flat-rate payments, would be discussed with the unions.

Re-training will start in October. Other plans call for the complete transfer of Daily Mirror and Sunday Mirror London production to Holborn by April and closure of the Stamford Street plant by March 1977. Full-page computer composition for all titles should be phased in by October, 1976, and printing of the West of England edition of the Daily Mirror in Plymouth, using facsimile transmission from London, will begin next April.

Mr. Roberts said last night: "Only by the successful introduction of this plan can we move into the 1980s with confidence. Mirror Group Newspapers has to become and remain viable to stay in business. We believe this is the way to do it."

CIA report gives warning of Communist spy operations

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, June 10.

A SHARP WARNING that Communist spies are able to monitor thousands of private telephone conversations in the U.S. and Western Europe and generally pose a serious threat to the privacy of ordinary citizens, is one of the most striking revelations in the Rockefeller Commission's report on the domestic activities of the CIA, released by the White House this morning.

As expected, the report finds that the Central Intelligence Agency has been guilty of only comparatively minor breaches of the rules that bar it from domestic spying operations—and most notably with its programme for inspecting all mail sent to the Soviet Union between 1952 and 1973, and with its surveillance of radical groups on the orders of Presidents Johnson and Nixon. It concluded that the CIA had no role in the death of President Kennedy.

The report says nothing about allegations that the CIA plotted to assassinate several foreign leaders, including Presidents Diem of South Vietnam, Castro of Cuba, Trujillo of the Dominican Republic and Lumumba of the Congo. But the information it has gathered in this area has been submitted separately to President Ford, and will be passed on to the Congressional committees which are also investigating the charges of illegal activity by the agency.

Finally, the report recommends a general tightening up in the regulations governing the CIA and in some of its internal procedures. It also suggests that Congress set up a joint committee to oversee its operations, rather similar to the Joint Committee on Atomic Energy, which has access to much highly classified information.

It stoutly defends the need for an effective and secret intelligence agency, opposes any fundamental rewriting of the National Security Act which created the CIA in 1947, and finds that the vast majority of the CIA's domestic activities have conformed with its governing statutes.

Although the Rockefeller Commission admits that its prime task is to protect the right to privacy of ordinary Americans from unlawful encroachment by the CIA, its report begins by noting that these same rights are also threatened by foreign countries and their agents — and argues that both the CIA and the FBI need public support in their efforts to curb such practices.

Worldwide, it says that the Communist nations now have well over half a million people working in their intelligence services. In the U.S., it estimates that about 40 per cent. of the 2,000 resident Communist officials are from intelligence or security agencies, and that, in addition, the Communist countries are despatching increasing numbers of under-cover civilian agents to the U.S.

While making large scale use of human intelligence sources, the report says that the Communist countries have developed electronic devices of "extraordinary sophistication" for use in the U.S. "and elsewhere throughout the world."

The report goes on: "We believe that these countries can monitor and record thousands of private telephone conversations. Americans have a right to be uneasy, if not seriously disturbed.

Weather

U.K. TO-DAY

DRY with long sunny periods in most areas, but there may be a few showers in South-East England. Warm inland but cooler on coasts.

London, S.E. England and Southern England

Sunny periods, perhaps a few showers. Wind easterly light or moderate. Max. 23C (73F).

E. Anglia, N.E. England, Borders, Edinburgh, Aberdeen area and Moray Firth

Dry, sunny periods but mist near coasts, especially at first. Wind easterly, light. Max. 19C (66F).

Midlands, Channel Isles, S.W. England, Wales and Northern England

Dry, sunny periods. Wind easterly, light or moderate. Max. 22C (72F).

N.W. England, Isle of Man, S.W. Scotland, Central Highlands and Northern Ireland

Dry, sunny periods. Wind variable, light. Max. 23C (73F).

North Scotland, Orkney, Shetland

Cloudy with bright sunny intervals. Wind light southerly. Max. 15C (59F).

Outlook: Fine and warm in many places but some rain in North Scotland.

Lighting-up: London 21.46, Manchester 22.06, Glasgow 22.30, Belfast 22.08.

Pollen count: 17 low. Forecast: higher.

Figures supplied by the Asthma Research Council.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	S	33	91	Luxembg.	C	21	70
Amstrdm.	S	23	73	Madrid	R	16	61
Athens	S	23	73	Manchstr.	S	23	73
Bahrain	S	34	93	Melbourne	S	14	57
Barcelona	R	21	70	Mexico C.	S	21	70
Beirut	S	24	75	Milan	F	17	63
Belfast	S	23	73	Montreal	S	20	68
Belgrade	S	23	73	Moscow	S	26	79
Berlin	R	17	63	Munich	C	16	61
Birmgham.	S	22	72	Newcastle	S	18	64
Bristol	S	21	70	New York	S	21	70
Brussels	S	22	72	Oslo	S	21	70
Budapest	C	20	68	Paris	F	23	73
B. Aires	S	15	59	Perth	S	20	68
Cairo	S	30	86	Prague	R	18	64
Cardiff	S	20	68	Reykjavik	C	12	54
Cologne	S	22	72	Rio de J'o	S	24	75
Copnhagn.	S	22	72	Rome	F	21	70
Dublin	S	21	70	Singapore	R	29	84
Edinb'gh	S	19	66	Stockholm	S	18	64
Frankfurt	S	21	70	Strasbourg	C	22	72
Geneva	S	23	73	Sydney	S	17	63
Glasgow	S	22	72	Tehran	S	29	84
Helsinki	S	17	63	Tel Aviv	S	25	77
H. Kong	S	31	88	Tokyo	C	26	79
Jo'burg	S	16	61	Toronto	S	19	66
Lisbon	S	18	64	Vienna	F	19	66
London	S	21	70	Zurich	C	16	61

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	22	72	Jersey	S	20	68
Algiers	C	24	75	Las Palms.	S	22	72
Biarritz	C	17	63	Locarno	C	21	70
Blackpool	S	20	68	Majorca	C	21	70
Bordeaux	S	24	75	Malaga	C	21	70
Boulogne	S	21	70	Malta	S	22	72
Casablanca	C	20	68	Nairobi	S	24	75
Cape Town	S	21	70	Naples	C	20	68
Corfu	S	24	75	Nassau	S	30	86
Dubrovnik	S	20	68	Nice	F	21	70
Faro	C	24	75	Nicosia	S	25	77
Florence	C	20	68	Oporto	F	19	66
Funchal	C	18	64	Rhodes	F	25	77
Gibraltar	C	19	66	Salzburg	C	14	57
Guernsey	S	17	63	Tangier	F	19	66
Innsbruck	F	16	61	Tenerife	C	16	61
Inverness	S	14	57	Tunis	F	27	81
I. of Man	S	17	63	Valencia	F	22	72
Istanbul	C	22	72	Venice	F	21	70

S—Sunny. F—Fair. C—Cloudy. R—Rain.

Continued from Page 1

Finance Ministers

seller found itself in serious difficulties.

The wording of the new Fund article on exchange rates turned out to be equally intractable, given France's attachment to fixed parities and the U.S. refusal to see a fixed exchange rate system enshrined in IMF rules.

It seems probable that the eventual compromise will lay down fixed but adjustable parities as a desirable objective, but without any of the mandatory provisions wanted by France which would allow the IMF to tell members with floating regimes when they should abandon them.

The French have already intimated that they would be able to accept a compromise on these lines if the Americans showed themselves more conciliatory on official gold transactions.

Redistribution of national quotas should not be too difficult to agree on once the other issues are settled.

Jaguar achieves more freedom in BL changes

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

DESPITE the commitment to product integration in the new British Leyland organisation, Jaguar, the most stubbornly individualistic of the constituent companies, has managed to wrest a considerable degree of independence from the large car division.

This emerged yesterday with the announcement that Jaguar will keep its own engineering department, reporting directly to Mr. Derek Whittaker, managing director of the British Leyland car division. It will also, as previously announced, have its own "operating committee"—a joint, and unique, co-ordinating body drawn from both Jaguar and the large-car section of the car division.

By allowing Jaguar discretion over its own engineering, the new BL team—and presumably Sir Don Ryder, who remains closely in touch with developments—appears to have accepted the argument that it produces a highly exceptional product which demands its own supporting organisation.

Indeed, BL said yesterday that the decision had been made "to retain and reinforce the individuality of Jaguar and Daimler products." Ironically, Mr. Geoffrey Robinson, the former managing director of Jaguar, resigned only three weeks ago because he felt the company should be run as a separate entity.

Yesterday's announcement will be seen as a partial victory for the Jaguar team, which has argued forcibly that the company could well lose its distinctive product identification if merged totally with the large car division.

However, there have been some concessions to the principle of integration recommended in the Ryder report. The engineering team, for instance, will be expected to work in "close collaboration" with the new BL cars engineering and development team. The Qaguar operating committee will also have as members the heads of the car division's finance, marketing and personnel functions, as well as being headed by Mr. Tony Thompson, the director in charge of the large cars section.

Thus, in principle there will be stronger central control over Jaguar than under the old organisation, inherited from the days of Sir William Lyons. Mr. Thompson also said yesterday that there would be advantages for Rover (the other company in the large car organisation) and Jaguar in collaborating in certain fields.

Joseph urges: 'Stop shielding workers'

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

SIR KEITH JOSEPH, the Tory policy research chief, yesterday called upon the Government to "stop protecting workers from the consequences of their own actions" as a priority in the fight against inflation.

At a Press conference to launch a pamphlet on "why Britain needs a social market economy," he complained that unions were now being "protected from the consequences of their own excessive wage claims."

Companies which ought to go bankrupt as a result of overmanning or granting excessive wage claims were being saved by the Government, said Sir Keith. This means the unions learned the wrong lesson—"that excess brings no bad consequences."

"The moment the word gets round that bankruptcy won't follow," Sir Keith went on, "this weakens the power of the moderates and strengthens the power of the militants."

He cited the Leyland rescue operation, in which he estimated each job rescued would cost well over £100,000. "This cannot be sensible. The money will come from flourishing firms, which will be weakened."

Sir Keith was speaking as a director of the recently formed Centre for Policy Studies, a Conservative group which also has Mrs. Margaret Thatcher, Opposition Leader, on its management committee.

In the pamphlet launched yesterday, the Centre spells out its belief in "a socially responsible market economy" which, while moving away from "collectivism" would be "perfectly compatible with the promotion of a more compassionate society."

It defines the market economy as one in which "the mechanism of variable prices functions freely to signal consumer preferences and, through its effect on profitability, to encourage the allocation of resources — manpower, capital and raw materials—so as to satisfy those preferences. The consumer exercises choice by voting with his purse."

In a preface to the pamphlet, Sir Keith says he has been struck by the fact that the new generation knows little about the market economy and its potential.

Readiness

But he finds that "bitter experience of our own trammelled economy's performance and the growth of social conflict pari passu with intervention seems—in my own experience at least—to have generated in many a readiness to consider the virtues of the market."

The pamphlet itself dwells on "the intimate link" between personal liberty and the diffusion of economic power, and complains that, "having set out to provide a safety net for the minority who cannot cope for themselves, the State has proceeded to put a cage round everybody."

Yesterday Sir Keith put the principles embodied in the Centre for Policy Studies' new pamphlet in the context of the Conservative Party's reconsideration of strategies and social policies. But he talked rather of "a shift of emphasis," and "inching back" from collectivism than of a Selson Man-style upheaval. "Many social democratic members of the Government Front Bench would go along with most of it," he claimed.

Surprise meeting between Rabin and Wilson

BY MALCOLM RUTHERFORD

MR. YITZHAK RABIN, the Israeli Prime Minister, had a surprise two-hour meeting with Mr. Harold Wilson at London airport, yesterday, on his way to Washington for talks with President Ford.

At one stage, Mr. Rabin was at the airport at the same time as Mr. Ismail Fahmi, the Egyptian Foreign Minister, who arrived for a four-day visit to Britain. Mr. James Callaghan, the Foreign Secretary, had talks with both men, but there was no attempt to arrange a joint meeting or to pass messages between them.

The British view is that the Egyptian position on the next steps towards a Middle East settlement is now well enough known and that everything hangs on the Israeli response. This should emerge from Mr. Rabin's Washington talks which follow last week's meeting between President Ford and Egypt's President Sadat in Salzburg.

President Ford has promised a major statement on U.S. Middle East policy before the end of this month.

Mr. Fahmi will sign two agreements while in London. One will establish an Anglo-Egyptian joint commission on questions of trade and economic co-operation, such as Britain already has with other countries. The other will be an investment protection agreement.

The proposed Anglo-Egyptian arms deal will figure prominently in the talks, even though many of the technical details have already been sewn up. It will amount to a large number of separate agreements to be signed over the next few months.

Herstatt pays Hill Samuel $16m.

BY MICHAEL BLANDEN

HILL SAMUEL yesterday confirmed that it had recovered $16.28m. of its $19.5m. losses on last year's collapse of the Herstatt bank in West Germany.

Announcing its results for the past year, the bank disclosed that the recovery had been made under a settlement between the creditors of Herstatt who had lodged claims in the U.S. and the German liquidator.

The settlement is expected to result in the release of a total of some $173m. of Herstatt funds held in New York, mainly with Chase Manhattan Bank which was Herstatt's U.S. banker.

Hill Samuel pointed out that its recovery, representing some 83 per cent. of the loss on uncompleted spot foreign exchange transactions when Herstatt was closed down last June, compared with the 55 per cent. which Herstatt's foreign bank creditors were to have received under the arrangement made last December.

The group's loss, ignoring loss of interest and legal costs, has been reduced to about £600,000 after tax relief.

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THE LEX COLUMN

Steady course by Hill Samuel

Index fell 12.5 to 339.8

What a pleasant diversion the referendum was. This week the market has had to get back to grips with the old menacing factors like inflation and a weakening sterling exchange rate, plus one or two newer ones like the threat of a major new oil price rise, while there is not much sign that the Government will take any economic initiatives. The 30-Share Index has lost 30 points since the peak reached on Friday morning.

There has been a significant technical element in the reaction from last week's enthusiasm, however, and decent lines of stock could still be placed quite easily yesterday. For the moment the market may continue to be restrained by approaching economic news — with the trade figures and the May retail price index coming later this week—but equities are displaying little more than what now counts as their normal volatility.

Hill Samuel

Back in the gloomy days of last October Hill Samuel was forecasting a drop of a third in disclosed net profits, but the revival in financial markets came just in time to take the edge off the decline, which emerges as just 15 per cent. to £5.3m. Moreover the recovery of 83 per cent. of the $19.5m. Herstatt losses within a year of the crash of the German bank represents a more satisfactory rate of progress than could have been expected until very recently. So the shares put on 2p to 88p against yesterday's market trend, and the yield of 6.3 per cent. covered 2½ times leaves them solidly placed within the sector.

Investment losses of £0.63m. —a deterioration of £1.1m. on 1973-74—wholly explain the overall group decline last year, and plainly would have been much worse had the accounts been struck at the end of December. A large holding in Bowater dating from the Bowater-Ralli merger apparently weighed heavily here. But the picture will have improved further since March, and elsewhere the main banking activity has steered clear of property and tanker losses to emerge marginally higher at £3.73m. Within that, U.K. commercial banking was good (despite some decline in footings), corporate finance down a little, and overseas banking generally poor. Meanwhile the insurance and shipping side earned 8 per cent. more at £3.1m. with the emphasis on shipbroking—though this activity is likely to show some decline this year.

For the current year as a whole Hill Samuel is not committing itself to anything more than unchanged profits. But that looks cautious, and the recovery of most of the Herstatt money will certainly encourage it to be a little less restrictive in volume terms.

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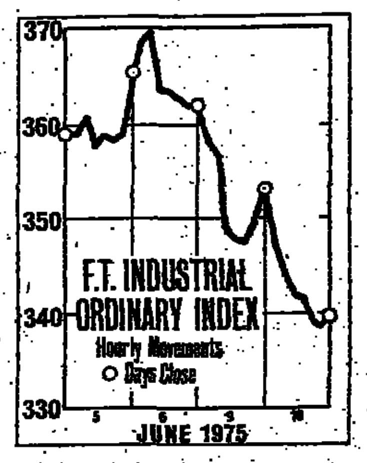
Chloride

Chloride has not, after all, escaped the recession: after a pre-tax rise of over 50 per cent. in the first six months, profits dropped fractionally in the second half to leave the full-



year total nearly a fifth up at £16.2m. The slowdown is explained both by lower demand for automotive batteries in the U.K., and by a weaker second half in South Africa and Australasia. The current year has started better abroad than in the U.K., where even the industrial batteries side is facing a sharp shortening in its previously long order book, though there is now a push to increase replacement sales.

The group still appears reasonably confident on profits prospects for 1975-76 though growth (if any) is likely to be small, and the greater uncertainty is reflected in a two-day share price fall of 12p to 105p. But any short-term doubts do not alter the longer-term arguments for the group: the return on capital employed has averaged 20 to 25 per cent. over the last four years and over half its profits come from abroad.

The high level of capital spending—£10.5m. last year against cash flow of £9m.—is continuing in 1975-76. And since inflationary pressures on working capital should be at least partly offset by the lower lead price, no more than a marginal increase in borrowings is expected this year. Currently, debt is £37m., up from £27.6m. a year ago, which is about 65 per cent. of shareholders funds, compared with the upper limit of 75 to 80 per cent. under the group's stated gearing policy. Nonetheless, despite these strengths, Chloride's period of relative share price strength—a rise of one and three quarter times since the December rights issue—may now be over for the moment until the trading situation is clarified.

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Johnson Matthey

The market has had nearly four months to get used to the idea of a poor final quarter from Johnson Matthey. Even so a profits decline of 17 per cent. pre-tax for the period still left the shares 13p lower at 31[illegible] last night despite a rise from £15.2m. to £17.1m. for the year as a whole.

Overall, banking has had a bumper year with a big rise in bullion turnover lifting profits here by over 60 per cent. so that they now account for a fifth of the total. Refining and chemicals are only just behind that performance with gains of 45 per cent. to nearly £3m. But the colour operations have stood still and the metal fabrication interests—over half of total profits in 1973-74—have eased back slightly on the year. JM has a big slice of these operations outside the U.K. and to judge by an unchanged charge for overseas tax this is where some of its problems lie; Italy has apparently had a difficult year.

At this stage, the group is not providing clues to any future progress. Borrowings are sharply up on a year earlier, but depreciation and retentions in 1973-74 comfortably topped capital expenditure and cash-flow last year rose by £1m. The yield of 5 per cent. is covered more than four times.

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